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ABSTRACT

The influence of government on higher education in Ohio is discussed. In the context of the history and the current status of public and private higher education, the following two questions are considered: (1) How do state and federal student aid programs interact, and what is their effect on tuition policy? (2) Have decisions on higher education at the state level shifted to other persons or institutions since the period of growth has ended? The following areas are considered: state coordination, governance, state mandates, state funds, student aid and tuition, the private sector of colleges and the state, and the public sector and the state. Specific topics include the following: subsidy distribution, tuition determination, boards of trustees, board of regents, other state agencies, the executive and legislature, appropriations bills, program mandates, management improvement, program budgeting and review, members of minorities, capital appropriations procedures, capital improvements, funds awarded, guaranteed loans, Ohio scholarships and grants, reciprocity and portability, administration, state and federal programs, overawarding, state student incentive grants, and citizens' opinion on student aid. Some specific trends in higher education in Ohio are documented. (SW)

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THE STATE AND HIGHER EDUCATION IN OHIO

Renee Petersen

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A paper written for the
SLOAN COMMISSION ON GOVERNMENT
AND HIGHER EDUCATION

October 1, 1978

HE 012 448

INTRODUCTION

At the request of the Sloan Commission on Government and Higher Education, I have attempted to answer the following two questions, in the context of the history and the current status of public and private higher education in Ohio.

1. How do state and federal student-aid programs interact, and what is their effect on tuition policy?
2. Have decisions on higher education at the state level shifted to other persons or institutions since the period of growth has ended?

In the course of preparing this paper, I talked to many of the persons responsible for setting state policy on higher education in Ohio, as well as spokesmen for the private sector. I was received with great courtesy by all and given the opportunity to ask my questions, to most of which I received useful answers.

My special thanks go to Acting Chancellor William B. Coulter of the Ohio Board of Regents and former Chancellor James A. Norton for the time they spent with me, and for permission to talk with members of the Regents' staff and examine reports and other data in their files. All members of the staff were thoroughly cooperative, in spite of the fact that my deadline coincided with theirs for the operating and capital-improvements budgets for higher education in 1979-81.

Among them, Duane R. Rogers, Director of the Management Information System, not only made his own reports and records available but also gave me copies of national surveys and analyses of higher education that I would otherwise not have seen. He was most generous with his time and expertise.

I am also grateful to David G. Brown, Executive Vice President and Provost at Miami University, and Thomas E. Wenzlau, President of Ohio Wesleyan University, for access to notes on interviews they had conducted and questionnaires they had distributed to the presidents of the private colleges and universities in Ohio, in preparation for their chapter in the Brookings volume on private higher education.

In alphabetical order, my informants were:

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The views stated in this report are my own and do not necessarily represent those of the persons I interviewed or those of the members or staff of the Sloan Commission.

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I. CONCLUSIONS

1. HOW DO STATE AND FEDERAL STUDENT-AID PROGRAMS INTERACT, AND WHAT IS THEIR EFFECT ON TUITION POLICY?

Aid Programs

In Ohio, state and federal student-aid programs operate independently of each other. The only overlap comes when an individual student's aid package is determined by the institutions' financial aid officers, who consider all sources appropriate for each case.

The Guaranteed Student Loan Program is regulated by federal guidelines. Though the Ohio Student Loan Commission that administers it is a state agency, the rules it has adopted have not been influenced by those set for the state-funded student assistance, nor has the size of appropriations or of grants to individuals affected the program.

In applying for money for campus-based federal student aid, institutions used to indicate what state funds would be available to them, since the allocations were based on need. However, the programs were never fully funded, and aid officers tried to demonstrate great need and may have estimated state funds on the low side. In any case, with funding now based rather on past utilization, even this slight link has been eliminated.

The availability or amount of federal student aid has had no effect whatever on the Ohio Instructional Grants, the War Orphans Scholarships, or the Ohio Academic Scholarships. The last two depend, respectively, on the number of persons qualified and the statute that established the program. Funding of the Ohio Instructional Grants is determined by the Board of Regents' forecast of how many students will need aid, by the anticipated cost of tuition in the public and in the private sectors,

and by the projections of the state's general revenue fund, higher education's approximate share of it, and the cost of other higher-education programs.

Tuition Policy

Public Sector: Neither federal nor state student aid affects the tuition policy of public institutions. Their boards of trustees now have the full power to set tuition and fees (for several recent years the legislature imposed a ceiling). Charges to students have generally been set at the minimum figure needed to make up the difference between the institutions' budgets and the state subsidy for instruction. It is true, however, that the availability of student aid provides college and university administrators, state officials, and legislators a useful argument in countering community or constituent complaints about Ohio's high tuition rates.

Private Sector: The importance of student aid varies greatly from one school to another. The percentage of full-time undergraduates who received Ohio Instructional Grants in 1977-78, for example, ranged from three at Kenyon to 84 at Dyke. Even so my informants generally agreed that throughout the private sector tuition policy is set by criteria other than how much student aid is available. For, whenever tuition and fees are raised

-- All students must pay more, not only aid recipients, and those from families not eligible for grants may therefore not enroll.

-- Institutional funds used to supplement state and federal aid to the neediest must also be increased, thus partly canceling the effect of the higher charges.

-- Students who qualify for aid but who do not take this into account when considering which college to attend may be kept out.

Among the new types of assistance in the private sector that have been discussed recently, direct institutional aid would probably keep tuition down, and tuition-equalization grants to individual students would probably drive tuition up. Neither type of aid seems to be at all likely in Ohio. It may well be that Ohio Instructional Grants will be raised, though not by enough to cover full costs, and that the children of higher-income families will be made eligible. This is not the sort of change that would stimulate trustees to raise tuition.

2. HAVE DECISIONS ON HIGHER EDUCATION AT THE STATE LEVEL SHIFTED TO OTHER PERSONS OR INSTITUTIONS SINCE THE PERIOD OF GROWTH HAS ENDED?

As the state funding of higher education continues to grow each biennium -- to $1.3 billion in 1977-79, so does the uneasiness of legislators and other state officials about this huge enterprise operating without the controls exercised over other state funds. One symptom is the frequent mandate of management studies, management improvement, approval by the Controlling Board of fund releases, performance indicators, and similar efforts to ensure that the money is both needed and used to good effect. At the same time, a nonpartisan agreement is patent that the state should not assume direct control of institutions of higher education, especially the universities, and that their governance is best left to the separate boards of trustees rather than being centralized under a single agency.

Judging from newspaper coverage and reactions of state officials, the public is far less preoccupied with colleges than with primary and

secondary education. School closings, teacher strikes, and the illiteracy of many high school graduates are seen as the important issues. According to most of the legislators I talked to, the stringent controls on school districts that borrow operating funds from the state are not a precedent for dealing with institutions of higher education that, because of sharp declines in enrollment, may require special state aid.

The perceptible shift in where important decisions on higher education are made was not the consequence of static or diminishing enrollments. Rather it was caused by changes in the political control of the state, as well as reflecting the nationwide move toward larger staffs of legislative and executive departments with computerized data banks. With the addition of staff and especially the creation of the Legislative Budget Office, Ohio's legislature has become far better able to analyze issues and make independent professional judgments. The Finance Department/Office of Budget and Management has improved the state's ability to supervise as well as carry out fiscal analyses. More specifically, the same is true of the Board of Regents, which in its Uniform Information System has probably the best set of such records in the country. However, the Board's prior dominance (one might almost say monopoly) in setting higher education policy has now been reduced considerably by the state's new political balance.

I expect this situation to remain essentially unchanged over the next few years. If a Democratic governor is elected in 1978, however, he will have a Board of Regents most of whose members were appointed by the current Republican governor. The possible renewed controversy between the executive and the Regents may give the institutions an opportunity to exert greater influence over their affairs.

II. POSTSECONDARY EDUCATION IN OHIO

Though the trends and issues in higher education in Ohio are similar to those in the country as a whole, the state presents a number of unusual features.

-- Ohio ranks sixth in population, sixth in number of students enrolled in colleges and universities, seventh in total dollars appropriated to higher education, seventh in state tax revenue, but 48th in tax revenue per capita and 50th of 51 in state expenditure for higher education as a percent of personal income. It is therefore not surprising that tuition and fees are among the highest in the country and represent a higher proportion of current-fund revenues in the public sector, 26.9%, than the national average of 13.1% (Table 1).[1]

-- The public universities formed the first and longest lasting voluntary coordinating council in the country. It determined the distribution of state support until the Ohio Board of Regents, a statewide coordination agency, was established in 1963.

-- The public colleges and universities since 1965 have enjoyed a large degree of fiscal and administrative autonomy, and though there has been some erosion, and there are indications that more changes may be on the way, still today Ohio's system rates high when measured by every set of criteria of autonomy developed in recent years by spokesmen for higher education.[2]

-- Ohio has more different types of two-year campuses than most other states: community colleges, state community colleges, technical colleges, each with its own governing board though twelve had FTE enrollments below 1,000 in 1976-77, and university branches with local advisory committees but governed as part of the parent university.

TABLE 1

OHIO'S RANK: POPULATION, INCOME, TAXES, STATE EMPLOYEES, AND ENROLLMENT IN AND SUPPORT OF HIGHER EDUCATION, 1970s

	Date	Rank	Ohio	U.S.
Population [1]	1976	6	10.7 million	212.3 million
No. cities over 10,000 [2]	1975	5	142	29 median
Personal income, per capita [3]	1976	18	$6,412	$6,393
State tax revenues [4]	1977	7	$3,571 million	$101,026 million
Per capita [4]	1977	48	$334	$472
State and local taxes as share of personal income [5]	1976	49	10.0%	12.5%
No. of state employees per 1,000 population [6]	1976	50	93	130
State appropriations to higher education [7]	1977-78	7	$551 million	$15,262 million
Per capita		45	$51.56	$71.36
Per 1,000 of personal income		45	$8.04	$11.12
10-year change		23	+286%	+245%
As percentage of general revenue [8]	1974-75	38	12.4	14.6%
State expenditures for higher education as percent of state personal income [9]	1973-74	50 of 51	.62%	1.03%
Average tuition, public sector (highest ranked 1) [10]	1973-74	4	$ 908	$503
Universities		6	1,008	729
Two-year		3	588	280
Tuition and fees as percent of current-fund revenues, public sector	1976-77		26.9% [11]	13.1% [12]
State dollars for need-based student aid [13]	1977-78	5	$29 million	$746 million
No. awards		4	60,000	1.2 million
Average award		41	$486	$627
Index of effort		15	2.74	3.66
Total number of institutions of higher education [14]	1975-76	6	129	45 median
Public		6	59	27 median
Private		6	70	15 median
Total enrollment in higher education [15]	1977	7	452,811	11,487,967
Public		6	353,035	8,985,175
Private		6	99,776	2,502,792

Notes for Table I

1. Council of State Governments, The Book of the States, 1978-1979, vol. 22 (Lexington, Ky., 1978), p. 328.
2. Book of the States, pp. 614-638.
3. Book of the States, p. 328.
4. Book of the States, p. 319.
5. U.S. News and World Report, November 4, 1977, quoted in Association of Independent Colleges and Universities of Ohio, Fact File, 1977-1978, p. 32.
6. Book of the States, p. 189.
7. Chronicle of Higher Education, October 25, 1977. The figures were provided by M.M.Chambers and omit capital outlays and any appropriated student fees.
8. Carnegie Foundation for the Advancement of Teaching, The States and Higher Education (San Francisco: Jossey-Bass, 1976), p. 76.
9. The States and Higher Education, p. 74.
10. Marilyn McCoy, State and Local Financial Support of Higher Education: A Framework for Interstate Comparisons, 1973-74 (Boulder, Colo.: National Center for Higher Education Management Systems at WICHE, May 1976), p. 119.
11. Ohio Board of Regents, Financial Data, Fiscal Years 1975 and 1976 (Columbus, March 1977), pp. 1-3.
12. Book of the States, p. 353.
13. National Association of State Scholarship and Grant Programs, 9th Annual Survey, 1977-1978 Academic Year (Deerfield, Ill.: Illinois State Scholarship Commission 1978), pp. 5-7. The index of effort represents 1977-78 state award dollars for 1970 population (p. 22).
14. David W. Breneman and Chester E. Finn, Jr., ed., Public Policy and Private Higher Education (Washington, D.C.: Brookings Institution, 1978), pp. 24-25.
15. Book of the States, p. 356.

-- The state supports more medical schools than any other, seven, of which four are currently still in process of development.

* * * *

The first land grants in Ohio, in 1804 and 1809, resulted in the founding of Ohio University and Miami University. The first private colleges, Cincinnati, Kenyon, and Western Reserve, were established a few years later.[3] Today there are in the public sector twelve universities with a total of 21 branches, two free-standing medical colleges in addition to those part of universities, five community colleges, three state community colleges, and 17 technical colleges (Table 2), widely dispersed through the state (Figure 1). The private colleges and universities number 69 (Table 3) and are clustered in the areas centering on Cleveland, Columbus, Dayton, and Cincinnati (Figure 2).

TABLE 2

STATE-ASSISTED INSTITUTIONS OF HIGHER EDUCATION, OHIO, 1977

UNIVERSITIES

1. Bowling Green State University (BGSU)
   A. Firelands (FIRE)
2. Central State University (CNTRL)
3. Cleveland State University (CLEVE)
4. Kent State University (KENT)
   A. Ashtabula (ASHTA)
   B. Columbiana - Salem (SALEM)
   C. Columbiana - East Liverpool (E-LIV)
   D. Geauga (GEAUG)
   E. Stark (STARK)
   F. Trumbull (TRMBL)
   G. Tuscarawas (TSCRW)
5. Miami University (MIAMI)
   A. Hamilton (HAMIL)
   B. Middletown (MIDDL)
6. Ohio State University (OSU)
   A. Lima (LIMA)
   B. Mansfield (MANSF)
   C. Marion (MARIO)
   D. Newark (NEWRK)
7. Ohio University (OHIO U)
   A. Belmont (BELMT)
   B. Chillicothe (CHCTH)
   C. Lancaster (LCSTR)
   D. Zanesville (ZANES)
8. Wright State University (WRGHT)
   A. Western Ohio (WESTO)
9. University of Akron (AKRON)
   A. Wayne (WAYNE)
10. University of Cincinnati (CINCI)
    A. Clermont (CLRMT)
    B. Walters (WALT)
11. University of Toledo (TLEDO)
12. Youngstown State University (YTOWN)
13. Medical College of Ohio at Toledo (C-MED)
14. Northeastern Ohio Universities College of Medicine
15. Ohio Agricultural Research and Development Center

COMMUNITY COLLEGES

16. Cuyahoga Community College
    A. Metro (CCC-M)
    B. Western (CCC-W)
    C. Eastern (CCC-E)
17. Lakeland Community College (LAKEL)
18. Lorain County Community College (LRAIN)
19. Rio Grande Community College (RIOGR)
20. Sinclair Community College (SNCLR)

STATE GENERAL AND TECHNICAL COLLEGES

21. Edison State General and Technical College (EDISN)
22. Shawnee State General and Technical College (SHAW)
23. Southern State General and Technical College
    A. North (SSC-N)
    B. South (SSC-S)

TECHNICAL COLLEGES

24. Belmont Technical College (BELMT)
25. Central Ohio Technical College (COTC)
26. Cincinnati Technical College (CINTC)
27. Clark Technical College (CLARK)
28. Columbus Technical Institute (COLTI)
29. Hocking Technical College (HOCTC)
30. Jefferson County Technical Institute (JEFF)
31. Lima Technical College (LIMA)
32. Marion Technical College (MARTC)
33. Muskingum Area Technical College (MATC)
34. North Central Technical College (NCTC)
35. Northwest Technical College (NWTC)
36. Owens Technical College (OWENS)
37. Stark Technical College (STARK)
38. Terra Technical College (TERRA)
39. Washington Technical College (WASH)
40. Agricultural Technical Institute (AGRTI)

Source: Ohio Board of Regents, Basic Data Series: Ohio Higher Education (Columbus: August 1977), p. 5

STATE-ASSISTED INSTITUTIONS OF HIGHER EDUCATION, OHIO, 1977

Source: Ohio Board of Regents, Basic Data Series: Ohio Higher Education (Columbus: August 1977), p. 4. The numbers and letters are identified in Table 2.

TABLE 3

PRIVATELY CONTROLLED COLLEGES AND UNIVERSITIES, OHIO, 1977

1. Air Force Institute of Technology, Wright-Patterson AFB*
2. Antioch College, Yellow Springs*
3. Art Academy of Cincinnati, Cincinnati
4. Ashland College, Ashland*
5. The Athenaeum of Ohio, Cincinnati*
6. Baldwin-Wallace College, Berea*
7. Bliss College, Columbus
8. Bluffton College, Bluffton*
9. Borromeo College of Ohio, Wickliffe*
10. Capital University, Columbus*
11. Case Western Reserve University, Cleveland*
12. Cedarville College, Cedarville*
13. Chatfield, College, St. Martin*
14. Cincinnati Bible Seminary, Cincinnati
15. Circleville Bible College, Circleville
16. Cleveland Institute of Art, Cleveland*
17. Cleveland Institute of Music, Cleveland
19. College of Mount St. Joseph on the Ohio, Cincinnati*
20. College of Steubenville, Steubenville*
21. College of Wooster, Wooster*
22. Columbus College of Art & Design, Columbus
23. Davis Junior College, Toledo
24. Defiance College, Defiance*
25. Denison University, Granville*
26. Dyke College, Cleveland**
27. Edgecliff College, Cincinnati*
28. Evangelical Lutheran Theological Seminary, Columbus*
29. Findlay College, Findlay*
30. Franklin University, Columbus*
31. Hebrew Union College - Jewish Institute of Religion, Cincinnati*
32. Heidelberg College, Tiffin*
33. Hiram College, Hiram*
34. John Carroll University, Cleveland*
35. Kenyon College, Gambier*
36. Kettering College of Medical Arts, Kettering*
37. Lake Erie College, Painesville*
38. Lourdes Colleges, Sylvania*
39. Malone College, Canton*
40. Marietta College, Marietta*
41. Methodist Theological School in Ohio, Delaware*
42. Miami-Jacobs Junior College of Business, Dayton
43. Mount Union College, Alliance*
44. Mount Vernon Nazarene College, Mt. Vernon*
45. Muskingum College, New Concord*
46. Notre Dame College, Cleveland*
47. Oberlin College, Oberlin*
48. Ohio College of Podiatric Medicine, Cleveland
49. Ohio Dominican College, Columbus*
50. Ohio Institute of Technology, Columbus
51. Ohio Northern University, Ada*
52. Ohio Wesleyan University, Delaware*
53. Otterbein College, Westerville*
54. Pontifical College Josephinum, Worthington**
55. Rabbinical College of Telshe, Wickliffe
56. Rio Grande College, Rio Grande*
57. Southern Ohio College, Cincinnati
59. Saint Mary Seminary, Cleveland
60. Tiffin University, Tiffin
61. United Theological Seminary, Dayton*
62. University of Dayton, Dayton*
63. Urbana College, Urbana*
64. Ursuline College, Cleveland*
65. Walsh College, Canton*
66. Wilberforce University, Wilberforce*
67. Wilmington College, Wilmington*
68. Wittenberg University, Springfield*
69. Xavier University, Cincinnati*

* Accredited
** Candidate Status
North Central Association of Colleges and Secondary Schools - Summer, 1976 Vol. LI - Number 1

Source: Ohio Board of Regents, Basic Data Series: Ohio Higher Education (Columbus: August 1977), p. 7.

FIGURE 2

PRIVATELY CONTROLLED COLLEGES AND UNIVERSITIES, OHIO, 1977

Source: Ohio Board of Regents, Basic Data Series, Ohio Higher Education (Columbus: August 1977), p. 6. The numbers are identified in Table 3.

TABLE 4

STUDENT ENROLLMENT, FALL HEADCOUNT,
OHIO AND U.S., 1951-1977

	Ohio Public		Ohio Private		Total Ohio		Total
	Number	%	Number	%	Number	%	U.S.
1951	61,248	51.3	58,103	48.7	119,351	100	2,116,000
1961	105,073	56.0	82,719	44.0	187,792	100	3,891,000
1966	187,559	64.1	105,274	36.0	292,833	100	6,438,477
1971	290,537	75.9	92,400	24.1	382,937	100	9,025,032
1972	292,938	76.1	92,000	23.9	384,938	100	9,204,156
1973	298,098	76.2	93,000	23.8	391,098	100	9,602,000
1974	309,428	77.3	91,000	22.7	400,428	100	9,709,000
1975	339,692	78.1	95,000	21.9	434,692	100	11,290,719
1976	345,867	78.3	96,000	21.7	441,867	100	11,215,111
1977	353,035	78.0	99,776	22.0	452,811	100	11,487,967
Increase, 1951-1977	476.4%		72.0%		279.2%		442.9%

Sources: Ohio Board of Regents, Basic Data Series, Ohio Higher Education (Columbus, August 1977), p. 11; 1977 figures from Chronicle of Higher Education, January 9, 1978 (NCES data).

Enrollments in the public and private non-profit higher education sectors in Ohio have generally followed the national trends, with headcount distribution gradually shifting from about half in each to 80% public/20% private (Table 4). While enrollments in the private sector increased by 72% from 1951 to 1977, in the public it was by 476%, much of it the result of establishment of new campuses: four universities, most of the branches, and all the other two-year colleges. In the private sector, in contrast, there were very few additions. Among members of the Association of Independent Colleges and Universities of Ohio, which includes 42 of the 69 in the state, two schools were founded which in 1977, accounted for a total headcount of only 1,500.[4]

Ohio has an active vocational-technical postsecondary program, administered in part by the State Board of Education and in part by the Board of Regents. There is some ambiguity about the division of responsibility between the "postsecondary" and "college-level" programs, in spite of attempts by the Regents and the State Board to define the two sectors.[5] Today vocational and technical programs are offered at more than 74 facilities that receive local, state, and/or federal support (Table 5 and Figure 3). They include those provided by prime sponsors under the federal Comprehensive Employment and Training Act.[6] Funding of these various programs is shown in Table 6. A Vocational Education Advisory Committee provides coordination between secondary and postsecondary programs.

The Five-Year State Plan for Vocational Education (required by the Vocational Education Amendments of 1976, Title III), in the revision for 1977-78, shows an anticipated 1978 budget of $332 million, of which eight universities, four community colleges, three state community colleges and 16 technical colleges are to receive $23 million, plus state subsidies. The collegiate sector's share of federal funds is $5 million, out of $20 million, and of local funds $18 million out of $160 million.[7]

TABLE 5

VOCATIONAL AND TECHNICAL EDUCATION, OHIO, 1977

Facts About Vocational Education and Technical Education

Today, 97.4 percent of Ohio high school students have access to vocational programs, and 18 percent of all high school students are choosing vocational education.

Enrollment in Ohio technical education programs has grown from 14,000 to 66,000 in the last decade.

Vocational education has expanded from 1,767 classes in 1966 to 7,942 classes in 1976.

Approximately $500 million has been invested in Ohio's vocational education construction program.

In one recent year, vocational education students earned over $52 million while working part-time as part of their instruction.

COMMUNITY COLLEGES
1. Cuyahoga Com. College, Cleveland
   1A Metro
   1B Western
   1C Eastern
2. Lakeland Com. College, Mentor
3. Lorain Co. Com. Col., Elyria
4. Rio Grande Com. Col., Rio Grande
5. Sinclair Com. College, Dayton

STATE GENERAL AND TECHNICAL COLLEGES
6. Edison State Gen. & Tech. Col., Piqua
7. Shawnee S. Gen. & Tech. Col., Ports.
8. S. State Gen. & Tech. Col., Wilmington
   8A North, Wilmington
   8B South, Sardinia

TECHNICAL COLLEGES
9. Belmont Tech. Col., St. Clairsville
10. Central Ohio Tech. Col., Newark
11. Cincinnati Tech. Col., Cincinnati
12. Clark Tech. Col., Springfield
13. Columbus Tech. Inst., Columbus
14. Hocking Tech. Col., Nelsonville
15. Jefferson Co. Tech. Inst., Steubenville
16. Lima Technical College, Lima
17. Marion Technical College, Marion
18. Muskingum Area Tech. Col., Zanesville
19. North Central Tech. Col., Mansfield
20. Northwest Tech. Col., Archbold
21. Owens Technical Col., Perrysburg
22. Stark Technical Col., Canton
23. Terra Technical Col., Fremont
24. Washington Tech. Col., Marietta
25. Agricultural Tech. Inst., Wooster

JOINT VOCATIONAL SCHOOLS
26. Apollo, Lima
27. Ashland Co.-West Holmes, Ashland
28. Ashtabula County, Jefferson
29. Belmont County, St. Clairsville
30. Buckeye, New Philadelphia
31. Butler County, Hamilton
32. Central Ohio, Plain City
33. Columbiana, Lisbon
34. Coshocton, Coshocton

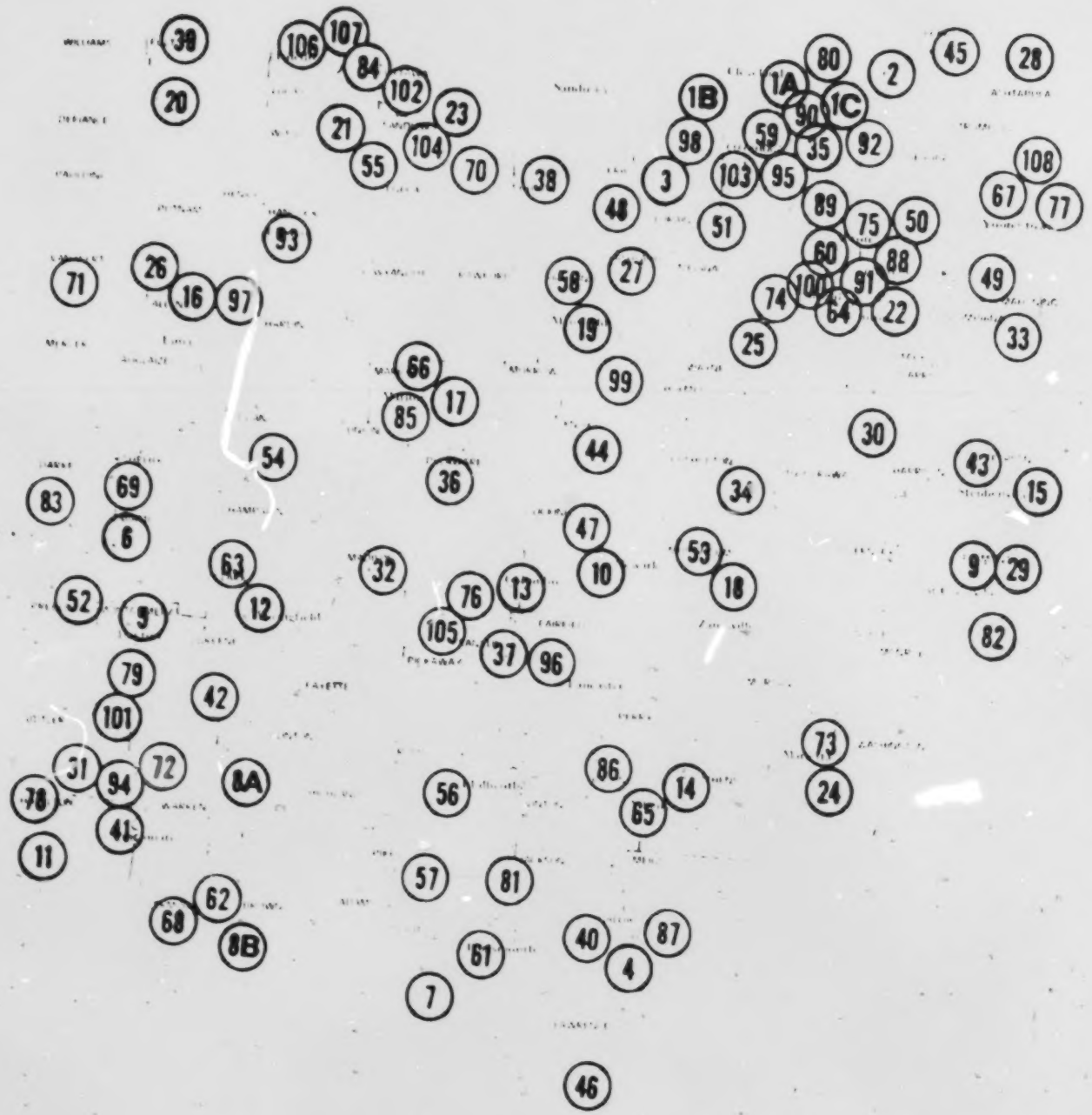
JOINT VOCATIONAL SCHOOLS CONT.
35. Cuyahoga Valley, Brecksville
36. Delaware County, Delaware
37. Eastland, Groveport
38. EHOVE, Milan
39. Four County, Archbold
40. Gallia-Jackson-Vinton, Rio Grande
41. Great Oaks, Cincinnati
42. Greene, Xenia
43. Jefferson, Bloomingdale
44. Knox, Mt. Vernon
45. Lake, Painesville
46. Lawrence, Chesapeake
47. Licking, Newark
48. Lorain, Oberlin
49. Mahoning, Canfield
50. Maplewood, Ravenna
51. Medina, Medina
52. Montgomery, Clayton
53. Muskingum, Zanesville
54. Ohio Hi-Point, Bellefontaine
55. Penta, Perrysburg
56. Pickaway-Ross, Chillicothe
57. Pike, Piketon
58. Pioneer, Shelby
59. Polaris, Middleburg Hts.
60. Portage Lakes, Akron
61. Scioto, Lucasville
62. Southern Hills, Georgetown
63. Springfield-Clark, Springfield
64. Stark, Lawrence
65. Tri-County, Nelsonville
66. Tri-Rivers, Marion
67. Trumbull, Warren
68. U. S. Grant, Bethel
69. Upper Valley, Piqua
70. Vanguard, Fremont
71. Vantage, Van Wert
72. Warren, Lebanon
73. Washington, Marietta
74. Wayne, Smithville

CITIES WITH VOCATIONAL AND MANPOWER TRAINING FACILITIES
75. Akron
76. Columbus
77. Youngstown
78. Cincinnati
79. Dayton
80. Cleveland
81. Jackson
82. Bellaire
83. Greenville
84. Perrysburg
85. Marion
86. Nelsonville
87. Gallipolis
88. Alliance
89. Barberton
90. Bedford
91. Canton
92. East Cleveland
93. Findlay
94. Hamilton
95. Lakewood
96. Lancaster
97. Lima
98. Lorain
99. Mansfield
100. Massillon
101. Middletown
102. Oregon
103. Parma
104. Sandusky
105. South-Western
106. Sylvania
107. Toledo
108. Warren

*1977 figures

[State of Ohio, State Board of Education,] Yes! Ohio is Prepared to Train Manpower with Skills for Jobs, [Columbus, Division of Vocational Education, State Department of Education, 1977] pp. 10-11.

FIGURE 3
VOCATIONAL AND TECHNICAL EDUCATION, OHIO, 1977



The numbers are identified in Table 5.

TABLE 6

FUNDING AND CONTROL OF VOCATIONAL AND TECHNICAL EDUCATION, OHIO

	Under jurisdiction of	Receive operating support from: Local funds	Federal funds	State funds	Student fees	Other
Vocational and technical education centers	Joint vocational school districts	X	X			
Technical colleges	Ohio Board of Regents	*	X	X	X	
Community colleges	Ohio Board of Regents	X	X	X	X	
State community colleges	Ohio Board of Regents		X	X	X	
University branches	Ohio Board of Regents		X	X	X	
Universities and colleges (public)	Ohio Board of Regents		X	X	X	X
Vocational and manpower training facilities	Local authorities	**	CETA			
Proprietary schools	Private ownership		***	***	X	

*Though technical colleges have taxing authority, only one technical college as of 1977 received such local funds (Ohio Board of Regents, Basic Data Series: Ohio Higher Education, 1977, p. 122).

**There is no requirement for local cost-sharing, though this infrequently does occur, but not in significant amounts.

***Students at these schools are eligible for federal student aid and for state-guaranteed student loans, but not for Ohio Instructional Grants.

FIGURE 4

LOCATION OF REGISTERED OHIO PROPRIETARY SCHOOLS, BY COUNTY

Source: State Board of School and College Registration, Occupational Education in the Private Post-Secondary Schools: 1977 Annual Report (Columbus), p. 11.

Vocational and technical education is also provided, in 1977, by 212 Ohio and 63 out-of-state proprietary schools, with enrollments ranging from just a few to over 40,000. The Ohio schools, like the non-profit private institutions, are clustered in the major urban areas (Figure 4). Some of them date back to the 1800s.[8] Recruitment is conducted in the media and also by agents who work mostly on commission and seek out prospective students in their homes. To date, students in proprietary schools have not been eligible for state scholarships in Ohio, but they may obtain state-guaranteed loans and various federal grants -- BEOG, SEOG, work-study, and VA. The Ohio schools reported that 40% of their students received such financial aid; the out-of-state schools operating in Ohio, 40%.[9] Licensing of these schools is the responsibility of the State Board of School and College Registration (ORC 3332).[10]

In general, higher education enjoys a relatively high esteem in Ohio. Favorable attitudes toward the universities, their faculties, administrators, and students were expressed in a Stark County survey by a Kent State university class in organizational communication in 1973; in a statewide survey by a professional group at Ohio State University in 1974; in a poll of about 5,000 persons who attended fairs and festivals in the 91st House District, commissioned by State Representative Claire M. Ball, Jr., in 1974; in a statewide survey of opinion leaders with respect to Ohio State University conducted by a consultant in 1976; and in a mail survey of a random sample of Bowling Green State University alumni in 1976 or 1977.[11]

III. STATE COORDINATION

The major growth in public institutions and enrollments was directed by the coordinating and planning agency for higher education established in 1963, the Ohio Board of Regents. At that time the public sector consisted of eight state universities, one partially supported municipal university, 33 university branches and academic centers, and one community college.[1]

Before that date, Ohio had the oldest active voluntary coordinating body in the country, the Inter-University Council, established in 1939 by the five state universities and one state college then in existence. As new issues arose in the late 1950s -- in particular the creation of new Ph.D. programs (in addition to those at The Ohio State University), the founding and location of branches, and the need for technical and medical programs -- the executive departments and legislature seem to have felt some doubts about the effectiveness of the IUC: the Governor in 1957 and the legislature in 1959 each established a commission to study and make recommendations on higher education in the state.[2] What may, however, have provided the greatest immediate impetus to creation of the Ohio Board of Regents was the failure in 1961 of the six Inter-University Council presidents to reach agreement on how the state's appropriation for capital improvements was to be divided among them. A study by the Legislative Service Commission, requested by the Speaker of the House, on coordination of higher education in other states and on choices the legislature could make for Ohio, provided the basis for the new agency.[3]

The Ohio Board of Regents consists of nine members appointed by the Governor with the consent of the Senate, the chairmen of the House and Senate education committees as non-voting members, and a professional staff headed by a chancellor. The first of these was Dr. John D. Millett,

until then president of Miami University. Over the years the Board has been given the following charges (ORC 3333):

-- Formulate a master plan for higher education, taking into account the role of public and private institutions.

-- Recommend, approve, or disapprove establishment of new state-assisted campuses or institutions.

-- Approve or disapprove new degrees and degree programs at state-assisted institutions, and recommend establishment there of new and abolition of old programs.

-- Recommend an operating budget for higher education, based on the requests of the institutions and developed in cooperation with the Director of Budget and Management.

-- Recommend a capital plan for state-assisted higher education.

-- Administer the state student aid programs (except for guaranteed loans).

-- Approve or disapprove plans of community college districts.

-- Plan and construct a university branch if a university board of trustees has failed to do so within one year of enactment of an appropriation for this purpose.

-- Negotiate reciprocity in tuition or student aid with contiguous states.

-- Issue Certificates of Authorization to non-profit colleges and universities, specifying the diplomas or degrees they may award (ORC 1713).

To date, the Board has issued the following rules:

1. Organization and procedures.
2. Definition of full-time-equivalent (FTE) student for subsidy purposes.
3. Release of funds for capital improvements.
4. Requirements for associate degree programs.
5. Requirements for new degrees and degree programs other than

doctoral and associate.

6. Adoption of rules.
7. Requirements for new doctoral degree programs.
8. Standards for issuance of certificates of authorization (to private institutions), including requirements for off-campus programs.
9. Ohio Instructional Grants.
10. Definition of residency for subsidy purposes.
11. Ohio Academic Scholarships.
12. Development of family practice departments in schools or colleges of medicine.
13. Development of Fifth Pathway medical program.
14. Notice of meetings.
15. Certification and training of Emergency Medical Technicians-Paramedics.

Subsidy Distribution

In 1963-65, when the Board of Regents began, institutions' operating funds were calculated by multiplying the number of their FTE students by a per-student rate set for each of the five universities and one college then in existence.[4] In the years before then, these rates were determined by the Inter-University Council. If enrollments were below the projections used in the budget, subsequent allotments were reduced accordingly. Beginning with the 1965-67 biennium, funding for instruction was no longer based on a flat rate per student but rather on eight models developed by the Board of Regents' staff in cooperation with the universities. These models provide different levels of support per level of instruction, and are based on the prior year's actual spending, with various adjustments. In subsequent years, changes and additions were made, and from 1975-77 on, subsidies were based on 16 funding models.

Once the models were in use, the Regents were authorized to recommend to the State Controlling Board other higher education uses of any instructional subsidies in excess of the amounts earned by the institutions on the basis of their enrollments. The Board's recommendations for redistribution of a portion of the instructional subsidies each December, once actual fall FTE enrollments were known, were each year accepted by the Controlling Board and by the Finance Department/Office of Budget and Management. This has been one of the more important powers of the Board, since it has meant giving some institutions more than the formula provided, or less than a given institution believed it deserved because of greater enrollments than anticipated. In one or two biennia, for example, the Regents included "small campus allowances" which provided the two-year colleges subsidies above those to which their enrollments entitled them. Universities that experienced sharp enrollment decreases have also received funds beyond their entitlement.

The extent of the Board of Regents' authority in recommending redistribution of instructional subsidy funds and how this changed over the years is shown in Table 7. The Board gradually was given more discretion, the most in the 1975-77 biennial budget bill, H.B. 155 of the 111th General Assembly. During that same legislative session, a supplemental appropriations bill (H.B. 1508) was amended to prescribe a distribution that gave the Regents no say at all, restoring to the state's General Revenue Fund any subsidies beyond each institution's line-item appropriation or earnings, whichever was lower. The Governor vetoed this language, though his Office of Budget and Management also was dissatisfied with the Board of Regents' past performance, and the veto was sustained.

TABLE 7

DISTRIBUTION OF APPROPRIATIONS FOR INSTRUCTIONAL SUBSIDIES TO THE INSTITUTIONS OF HIGHER EDUCATION, OHIO, 1963-1978

	1963-65	1965-67	1967-69	1969-71	1971-73	1973-75	1975-77 H.B. 155	1975-77 H.B. 1508	1977-79
Institutions receive their earnings	X	X	X	X	X	X	X		X
Balance reverts to state GRF	X								3
OBR may recommend other higher education use of surplus		X	X						
OBR may recommend to CB transfers among two-year campuses			X						
OBR may recommend to CB more than line item for overearners				X	X	1	1		1
OBR may recommend to CB more than earnings for underearners					X	2	2		
OBR may recommend to CB distribution of any surplus to institutions							3		
No underearner may receive more than line item							X		
Overearners receive line item, underearners receive earnings, balance reverts to state GRF								X vetoed	
Underearners receive the greater of current or 1976-77 enrollments X current subsidies									2

Notes: Instructional subsidies are appropriated in a separate line item for each campus based on anticipated enrollments and their distribution among the various levels of instruction.

Earnings = FTE students X subsidy rates.

Underearnings = Subsidy earned is less than line item because of enrollment lower than projected and/or student mix other than anticipated.

Overearnings = Subsidy earned is more than line item because of enrollment greater than projected and/or student mix other than anticipated.

Numbers are used in the table to indicate an order of priority where stated in the legislation.

CB = State Controlling Board
GRF = General Revenue Fund
OBR = Ohio Board of Regents

Sources: Am. H.B. 711, 105th General Assembly of the State of Ohio; Am. Sub. H.B. 200, 106th; Am. Sub. H.B. 537, 107th; Am. Sub. H.B. 531, 108th; Am. Sub. H.B. 475, 109th; Am. Sub. H.B. 86, 110th; Am. Sub. H.B. 155 and Am. Sub. H.B. 1508, 111th; Am. Sub. H.B. 191, 112th.

The 1977-79 budget bill (H.B. 191 of the 112th General Assembly) allows some flexibility in cases where institutions' enrollments have declined, but it is not left to the Board's discretion. Only campuses with enrollments higher than projected may receive subsidies above line items.

Tuition Determination

Control over another matter of major concern to the institutions, tuition[5] and fees, also shifted first to the Board of Regents, then to the Board and the legislature jointly, and in the current and 1975-77 biennia back to the universities and state community colleges, though not to the community and technical colleges (Table 8).

During the years without a statutory ceiling on tuition and fees, several bills to impose a maximum were introduced but did not pass. The Board of Regents favors ceilings for two reasons. Some members and the former Chancellor are strong advocates of a low tuition policy on principle. In addition, the funding models which form the major basis for allocating state support to the institutions indicate the Board's estimate of the total cost of providing instruction. Tuition is, of course, a part of each model, and an assumption about its levels must be made in order to prepare a budget request.

Status of the Regents

In Education and State Politics (1971, pp. 132-142), Michael D. Usdan et.al. found that in Ohio "political thrust and influence between higher and elementary-secondary education" were unevenly distributed, with higher education seen as the more powerful by far. Credit is ascribed to "the extraordinary success of the coordinating structure of the universities" as well as to a weakening of the public-school people.

TABLE 8

CONTROL OF TUITION AND FEES,
STATE-ASSISTED UNIVERSITIES AND STATE COMMUNITY COLLEGES, OHIO
1963-79

	Determined by institutions	Subject to OBR approval	Within upper limit set by legislature	Comm. and tech. coll. must charge max. to out-of-district students	Fee waivers prohibited
1963-65	X				
1965-67	X				
1967-69	X	X			
1969-71	X	X	X		
1971-73	X	X	X		X
1973-75	X	X	X	X	X
1975-77	X		(X but vetoed)		X
1977-79	X				X

Sources: Biennial appropriations bills, 105th through 112th General Assemblies of the State of Ohio.

Note: The Ohio Revised Code, Sec. 3354.09 (G) and 3357.09 (G), requires Ohio Board of Regents approval of tuition and fees at the community colleges and technical colleges

If indeed this was an accurate assessment in 1970, the situation today is precisely the reverse. Writing at that time, Robert Berdahl was prophetic:

> In Ohio, a member of the governor's staff pointed out to us that public expenditures for higher education had increased dramatically as a direct result of the governor's selling higher education to the people; the governor would never, he added, have accepted this responsibility if he had not been assured that, through the coordinating board, he could inject his own ideas into the system. The earlier voluntary system, continued this observer, could never have elicited this much leadership from the governor because he would have no way of knowing whether the recommendations forthcoming were genuinely in the public interest or merely self-serving. Since the board is all public and has a strong executive director, the governor can be more certain on these points, and therefore he works hard to see the board's recommendations implemented. It should be pointed out that the governor in question had appointed the entire board and, in effect, chosen the executive director. It is speculated that, if his successor is of the same party, the board and the executive director may continue to prosper. [6]

The public-school lobbies, with the Ohio Education Association in the lead, have been able to exert by far the greater influence since 1970, when Republican Governor James A. Rhodes was defeated by Democratic Governor John J. Gilligan and control of the legislature also shifted from Republicans to Democrats. The change in administration resulted eventually in a change in the membership of the Board of Regents to a majority of Gilligan appointees. Partly as a reflection of differences among Democratic factions in the legislature and executive, partly because of unpopular decisions made by the Board, and possibly because of personality conflicts among individual regents, legislators, and James A. Norton, the new chancellor chosen in 1972, the Board of Regents came under frequent attack by legislators and could not count on wholehearted support even from the Gilligan administration.

In 1974, Rhodes narrowly defeated Gilligan, though the legislature continued its shift toward the Democrats. One of Rhodes' campaign pledges

had been to abolish the Board of Regents. Though he has not done so to date, he has restated his dissatisfaction with the Regents on a number of public and private occasions. At the same time, in the Democratic-controlled statehouse, the Regents' stock has also been low.[7]

The future of the Board is by no means clear today. As of September 1978, all but one or two of the nine members of the Board will be Rhodes appointees. Chancellor Norton's five-year contract expired in July 1978 and was not renewed, and an acting chancellor was appointed until after the November gubernatorial election. Meanwhile, in his campaign for a seat in the Ohio House, former U.S. Congressman Wayne Hayes has announced that abolition of the Ohio Board of Regents is his number one priority! Hayes is expected to be elected. Should the Democratic candidate defeat Rhodes, it may be that the Board will be in even greater jeopardy, since neither the Democratic leadership in the General Assembly nor the Democratic Governor may want to support a body, already unpopular, that owes most of its appointments to a governor of the other party.

This is not to say that there is a possibility for no state coordination of higher education, or a return to voluntary coordination. Even the university presidents, who are often critical of the Board of Regents, believe that it is necessary. If this Board is abolished, it would undoubtedly be replaced by a new board or commission, which almost certainly would again not be a governing board. From recent conversations with members of the Democratic and Republican legislative leadership, I came away convinced that the present system of statewide coordination and institutions under individual boards would be changed to any extent only under the most dire circumstances, and possibly not even then.

IV. GOVERNANCE

Boards of Trustees

Each state-assisted university and state community college has a nine-member board of trustees appointed by the Governor with the consent of the Senate. Community and technical colleges have seven or nine trustees appointed in part by the Governor and in part by local authorities.

The university branches do not have separate boards since they are considered a part of the mother university. Branches do not award their own degrees, and their students and faculties consider themselves to be enrolled in, and employed by, the university. The branches therefore are not the equivalent of junior colleges, which in Ohio are represented by the two types of community colleges. Each branch has a local advisory committee, and the communities in which the branches are located prize the connection with the university -- as became very evident on several occasions when the Board of Regents (which considers branches an anachronism since they offer mainly liberal arts programs rather than also technical education) tried to convert some into community colleges and met fierce resistance. In two or three cases, however, they succeeded in having a university branch and a small technical college merge into a state community college.

The laws governing institutions of higher education in Ohio give the boards of trustees wide latitude. The schools were not established in the state constitution, but rather in a number of statutes. The "full power and authority on all matters relative to the administration of the institutions is assigned to their boards of trustees (ORC 3345.021), as well as regulation of use of "grounds, buildings, equipment, and facilities and the conduct of the students, staff, faculty and vistors

to the campus" (ORC 3354.21). Boards of trustees also appoint the presidents, faculty, and other employees and determine the institution's programs (ORC 3335.09 for OSU and eight other sections for ten additional universities). ORC 3343.05 for Central State University gives the board "exclusive authority" over the operations of the university.

At a time of student unrest and public demands for greater state control, the General Assembly inserted the following section into the 1969-71 appropriations act. It has been repeated in each such act since then.

> The general assembly hereby declares its expectation that the authority of government vested by law in the boards of trustees . . . of state-assisted institutions of higher education shall in fact be exercised by said boards . . . Administrative decisions about the utilization of available resources, about organizational structure, about disciplinary procedure, and about administrative personnel shall be the exclusive prerogative of boards of trustees . . . Any delegation of authority by a board of trustees . . . shall be accompanied by appropriate standards of guidance concerning expected objectives in the exercise of such delegated authority and shall be accompanied by periodic review of the exercise of this delegated authority to the end that the public interest in contrast to any institutional or special interest shall be served.

While the intent of this section was to remind trustees that they were responsible for law and order on the campuses, it also restated in strong terms the "exclusive prerogative" of the boards to govern.

Nevertheless, the state-assisted colleges and universities are part of the state and do not function in isolation, much as they perhaps would like to.

In the 1963-65 biennium, when the Board of Regents began, the state universities, like all state agencies, received their state appropriation in the following line items:

Personal service

Personal service -- student fees

Maintenance

Out-of-state travel

Equipment

The Ohio State University hospital received a similar budget, plus separate line-item appropriations for specified and separately priced types of research. The state's Department of Finance divided the funds into quarterly allotments against which the institutions drew by having the State Auditor issue warrants. Funds for the two-year campuses were appropriated in a lump sum to the Board of Regents, but approval of the State Controlling Board was required for their disbursement. The Budget bill stated that students for whom subsidy would be paid had to be enrolled for at least eight credit hours and be state residents. It further stipulated that none of the funds could be used to support alumni associations. Though the appropriations for out-of-state travel were to be administered "solely by the governing bodies" of the institutions, the act nevertheless listed an order of priority for the use of these funds, starting with fund-raising and ending with faculty presentations at meetings, and specified the maximum per diem that could be allowed.

Because student tuition and fees, as well as other university and college funds (except for revenue from auxiliary enterprises), were held in the state treasury rather than by the institutions themselves, the budget act appropriated health fees, laboratory fees, interest on endowments, hospital income, and various other revenues.

In 1965, thanks to the efforts of Chancellor John D. Millett, with the approval of the state Department of Finance, the legislature passed H.B. 307 which, together with new language in the 1965-67 biennial appropriations bill, H.B. 200 of the 106th General Assembly, provided that the state universities and colleges would retain and administer all their receipts.

From that time to date, the institutions have received lump-sum subsidies rather than line-item appropriations. They have banked these funds as well as tuition and fees and other revenues, and written their own checks, with the State Auditor carrying out post-audits only. In a widely distributed letter, Chancellor Millett said at the time, "It is no exaggeration . . to consider the provisions of these two bills a Magna Carta of fiscal autonomy for the state-assisted colleges and universities of Ohio."[1]

The universities and colleges have retained most of this fiscal and management autonomy, though every legislative session contributes its share of new rules and requirements that set the framework within which the trustees may exercise their authority.

Board of Regents

The Board of Regents, though not a governing board, makes many decisions that affect the institutions -- especially through its authority to approve programs, through its enrollment projections by level of instruction which -- since they are used as the basis for its operating budget recommendations -- effectively limit or encourage development of particular programs, and through its role in recommending the capital appropriations bill. In its budget proposal for 1977-79, the Board included a special $15 million subsidy to the two-year colleges to enable them to lower their tuition. The justification was the Carnegie Council's study, Low Or No Tuition, which showed Ohio's tuition on these campuses to be the third highest in the country (after Vermont and Pennsylvania).[2] Neither the executive budget nor the legislature's appropriations bills accepted this proposal, which was also opposed by the universities. If adopted, it might well have had a drastic effect on a number of campuses. Apart from the fact that more lower-division students would have been diverted from the universities

to nearby two-year schools, tuition at the branches would either have been lowered (challenging the claim that as integral parts of the universities the branches offer the same education) or remained at the main-campus level (putting branches at a competitive disadvantage with other two-year campuses, especially the community colleges).

Other State Agencies

A number of other state agencies also set requirements:

The State Auditor prescribes auditing systems, performs post-audits of all fiscal transactions, but no pre-audits. He has limited jurisdiction over funds raised from private sources.

The Attorney General provides legal services and assigns counsel.

The Director of Finance and the State Controlling Board approve expenditure of all capital funds and special subsidies, on recommendation of the Board of Regents.

The Director of Public Works arranges for contracts with architects and contractors and supervises construction (but not at the community and technical colleges).

The Director of State Personnel supervises the management of civil service personnel at the universities, but not of contract employees. All employees must belong to the appropriate state retirement system, but each university negotiates its own employee health-insurance contracts.

It is not always clear whether or not state rules apply to universities and colleges. Though the definition of "state agency" has varied somewhat over the years (Table 9), the language seems to indicate that state institutions of higher education are included since they were established by the laws of the state and receive its support. The legislature has added a clause specifically including or exempting higher education from certain

TABLE 9

DEFINITION OF STATE AGENCY,
OHIO, 1963-1979

In the appropriations bills for	
1963-65 1965-67 1967-69 1969-71 1971-73 1973-75	"Includes every organized body . . . established by the constitution and laws of the state for the exercise of any function of state government and every institution or organization which receives any support from the state."
1975-77	Same in H.B. 155, but vetoed by Governor Rhodes. H.B. 687: "Means every organized body, office, and agency established by the laws of the state for the exercise of any function of state government and every institution or organization which receives any financial support from the state."
1977-79	S.B. 221 wrote into permanent law: "'Departments, offices, and institutions' include every organized body, office, and agency established by the constitution and laws of the state for the exercise of any function of the state government" (ORC 126.01).

laws. In all other cases, whether or not the colleges and universities are or may be included depends on the interpretation of executive departments. This ambiguity causes concern and uneasiness for campus administrators, but in most cases ambiguity seems preferable, for certainty could be inimical to what the institutions see as their interests. It is not always to their advantage to be excluded: for example, when the General Assembly raises the salary scale of civil service employees and appropriates funds to pay for the cost to the employing agencies, universities want to be included among these agencies. On the other hand, a bill that mandates installation of smoke detectors in certain buildings, or open meetings, or additional holidays, imposes additional costs or problems.

The Executive and Legislature

One important determinant of where decisions are made with respect to higher education, as on other state programs, has been the political complexion of the executive branch and the legislature. When both are controlled by the same party, as was the case when the Ohio Board of Regents was established (Republican governor, House, and Senate), the governor and his finance department play the major role. When the legislature's control is divided, as was the case during Governor Gilligan's four years (Democratic governor and House, Republican Senate), the executive tends to dominate, though the minority party may bargain for some concessions. When the executive and legislature are controlled by different parties, as has been the case since Governor Rhodes returned to office (Republican governor, Democratic House and Senate), the legislature clearly is dominant, but through his power to veto the governor can still exercise some control. For example, Rhodes vetoed a bill authorizing collective bargaining for public employees which would have profoundly affected state higher education; the legislature to date has been unable to muster the votes to override, in spite of frantic efforts by organized labor, including especially the Ohio Education Association, which hopes to sign up a large share of college and university faculty members.

In the 1975-77 budget bill, in order to indicate its mistrust of the Republican-controlled departments of state government, the Democratic-controlled legislature included with each major appropriation a statement of legislative intent prepared by the Legislative Budget Office. Governor Rhodes vetoed all these statements, including the one for higher education, which called for evaluating the performance of the state-assisted institution by only two criteria:

number of students served, and

number of students who complete their studies.

The Regents were to investigate the causes of attrition and make recommendations to the institutions on how to minimize it, as well as reporting to the General Assembly on the duplication of certain programs. Elsewhere the bill required the Office of Budget and Management to examine and report on the debt management of the universities. This section too was vetoed, but the Board of Regents responded to the legislators' concern by assigning staff to study the universities' debts for capital plant financed by their own revenue bonds. A requirement that the presidents report to the legislature on the status of their family-practice program, line-item funded in the bill, was also vetoed by the Governor.

The Governor, in fact, vetoed over 70 items in the 1975-77 appropriations act, and the vetoes were sustained. In order to prevent a recurrence during the following session, when the Democrats controlled both houses by a theoretically veto-proof majority, the 112th General Assembly in an unprecedented action divided the budget into two parts, one listing the appropriations (H.B. 191), the other stating the conditions attached to the disbursement of these funds (S.B. 221). The Governor has the authority to a partial veto only of an appropriations bill, and the Democratic leadership assumed, rightly, that the Governor would not veto the entire "language bill." It became law without his signature.

The Governor appoints members of the Board of Regents, all university trustees, and all or some trustees of two-year colleges, depending on whether or not they have a local tax base. One could assume that the executive influences the actions of all these boards, but from my own observations and the comments of presidents and other university and college officials, I conclude that the boards of trustees are not politicized as is the Board of Regents. This may be because the trustees have a clearly defined constituency, their college or university, which claims their first loyalty. The Board of Regents not only lacks such a constituency but its rather reluctant charges see it as more often antagonist than ally. While the political views of trustees, as distinguished from their individual characteristics, have not affected the institutions' operation, the political composition of the Board of Regents has been decisive, for example, in the selection of chancellors, and has affected its relations with the General Assembly and the executive.

V. STATE MANDATES

Appropriations Bills

The biennial appropriations bills are used not only to prescribe how funds are to be spent, but also to mandate related or unrelated programs or actions, many of which had been introduced as separate bills but not (or not yet) passed. In the years since 1963, the budget bills provided or required the following, in addition to the matters already discussed:

-- No state subsidy is to be paid for out-of-state undergraduate students, as has been the case in the two prior biennia (1969-71).

-- In the face of attempts by some legislators, repeated each biennium since then, to mandate faculty teaching loads and/or prescribe work-weeks, the 1969-71 bill introduced this compromise language, which has been included in all subsequent bills:

> It is the intent of the General Assembly that faculty members shall devote a proper and judicious part of their work-week to the actual instruction of students.

The 1969-71 bill also forbade using state appropriations or tuition to pay for faculty sabbaticals. Both these statements about faculty were also repeated in all subsequent budget bills up to the current biennium, when sabbaticals were permitted following passage of special legislation.

-- The 1969-71 bill lifted the requirement that institutions of higher education, like state agencies, purchase vehicles through the Division of State Puchasing. A new procedure in 1975-77 that did not specifically exempt the universities was vetoed by Governor Rhodes (for other reasons).

-- The institutions' solvency is to be monitored by the Board of Regents, to whom the boards of trustees are required to submit annual budget plans and quarterly progress reports (1969-71, and repeated in each bill since then).

-- The teaching hospitals were required each year to submit detailed operating budgets showing income from all sources to the Regents and to the Office of Budget and Management. The Office was required to reduce the appropriations by amounts equal to any income lost by failure of the hospitals to apply for federal funds to which they were entitled. This proviso was enacted in 1971-73, when Governor Gilligan also announced he would appoint a task force on health care, one of whose duties it would be to recommend a rational basis for determining the teaching hospitals' state subsidy. The task force met in due course, but this matter was not resolved and indeed still is a subject of contention among the medical schools, the Regents, and the executive and legislative branches. The requirement reappeared in the 1973-75 bill, was vetoed by Governor Rhodes in the 1975-77 bill, and was omitted in 1977-79. In any case, no subsidy cuts were made while the law was in effect, possibly because no one knew how to determine what amount, if any, was involved.

-- Boards of trustees' prerogative to pledge the student general fee or special fees as guarantees for university revenue bonds for the construction of auxiliary facilities was made subject to Board of Regents' approval in 1971-73, and it has remained so to date. The reason is concern that the state overview the total indebtedness of the institutions.

-- Contracts for printed materials were to be awarded to in-state vendors unless the Regents authorized contracting out of state if no Ohioan could meet all the required terms except price (1973-75). Several bills that would have mandated some version of this prohibition had been introduced over the years. This same clause was included in the 1975-77 act but was amended in a 1976 act that authorizes in permanent law the purchasing departments of colleges and universities, rather than the State Department of Administrative Services, to supervise the institutions' printing, and requires competitive bidding and contracts with vendors "who have manufacturing facilities within the state, unless none available" (ORC 125.31).

-- Travel remains a touchy subject, especially out-of-state travel, even though the state has left its regulation up to the trustees within certain limits. Because of flagrant abuse by one person on one campus, the 1973-74 bill forbade travel advances except for commercial fares, and this prohibition has been repeated in each appropriations act to date.

-- As a result of pressure from some trade unions, a prohibition was inserted in the 1973-75 budget bill against contracting for services that "historically" were performed by state employees. Most custodial and food service employees on state campuses are organized. After lobbying by universities and by the unions that organize the employees of food and janitorial service contractors, a clause was added exempting the institutions of higher education. Governor Gilligan vetoed the entire section. Bills have been introduced in each legislative session since then to accomplish the same end, but to date none has passed. One is currently pending.

-- During the 1973-75 biennium the state experienced severe cash flow problems. One of the means it used to retain cash for payrolls, welfare payments, and other day-to-day expenditures was to delay release of the monthly subsidy checks to the universities, which lost some of the interest previously earned. Both the 1975-77 and 1977-79 acts permit such adjustments in releasing funds in place of the "twelve equal monthly installments" specified in earlier bills.

-- The presidents of the free-standing medical colleges and of the universities that have medical schools were required in the 1975-77 bill to report directly to the legislature on their family-practice programs. This was vetoed by Governor Rhodes.

-- The 1975-77 act added a requirement that changes by an institution in the course-hour credit for an existing course must be reported and justified to the Board of Regents; this was rejected in 1977-79. A provision in 1977-79 prohibited the Regents from changing the definition of an FTE student for subsidy purposes without first sending a "fiscal impact statement" to the legislative leadership, the Legislative Budget Office, and the Office of Budget and Management. No doubt this was intended to prevent the Regents from including state subsidies for students in non-credit continuing education by revising the definition of eligibility, rather than by recommending a special subsidy in the next budget.

-- At the request of the State Auditor, the 1975-77 bill made the release of state subsidies contingent on the universities having written contracts with all unclassified personnel (administrative and faculty) using a standard contract form. The

provision was directed mainly at the University of Cincinnati, which made faculty appointments by letter. The Governor vetoed this, but UC nevertheless adopted a contract form acceptable to the Auditor.

-- When the 1975-77 bill provided a special subsidy for debt service to Ohio University, which was in extremely serious financial difficulty because of a sharp drop in enrollment and the resulting unoccupied facilities, the legislature made the release of these funds contingent on Board of Regents approval, based on a detailed examination of various data the university had to provide. In the 1977-79 capital-improvements act, on the other hand, bond money was appropriated to purchase one or more buildings from the OU dormitory system, thus also transferring responsibility for the use of their operation and debt service to the state, but the release of funds was specifically made not contingent on the recommendation from the Regents required by current law. The Board had opposed the appropriation.

-- A new requirement in the 1975-77 bill that all contracts for services or materials, or both, for over $10,000 be competitively bid unless the Controlling Board authorized otherwise was vetoed by Governor Rhodes. However, in the 1977-79 bill, a new permanent law was enacted (ORC 127.161) requiring the State Controlling Board to establish criteria for a waiver of competitive bidding on contracts, including "the cost of formal requests for proposals," maximum payment schedules, demonstration that state employee classifications are not able to accomplish the designated tasks," etc. According to some majority legislators, the Governor and other minority party officials may have used personal service

contracts as a means of bypassing either the state civil service or appointments that require approval by the (Democratic-controlled) Senate. But the new language does -- or may -- affect all operations funded by the state, including higher education; interpretation of this new law varies among the president of the Controlling Board (representing the Republican Governor), the Attorney General (Democratic elected official), and the Auditor of State (Democratic elected official, but a political rival of the Attorney General).

-- Ohio adopted in the 1975-77 bill a version of the model ACIR statute on state appropriation of federal funds that come into the state(ORC 131.35), but it has not been applied to higher education.

-- University and college contracts for auditing or accounting require approval of the State Auditor, according to a new clause in the 1977-79 bill, unless paid for out of non-public funds. The partial exemption was the result of intensive lobbying by some of the universities. The same bill enacts a new section of permanent law (ORC 149.10) requiring all state agencies, including higher education, to submit to the Auditor of State "a copy of each formal internally or independently produced audit report, as well as any management study or report which recommends changes which would affect the auditing system."

-- In preparation for the 1979-81 budget, the Board of Regents was required in the 1977-79 bill to report to the Legislative Budget Office and the Office of Budget and Management on "academic-term subsidy-eligible enrollments," as opposed to the current method

of defining a subsidy-eligible student, which was developed by the Regents in consultation with the universities, namely, fall enrollemnt plus a portion of summer enrollment, with 15 undergraduate credit hours constituting one FTE. This could be a prelude to a definition of FTE student by the legislature or the executive.

-- The Board of Regents was also instructed in the 1977-79 bill to report on the cost of serving part-time students, to determine whether funding through the present models shortchanges the institutions with the greatest proportion of such enrollments, the urban universities and the two-year campuses other than branches. This requirement was added as a result of lobbying by some of these schools which contend that certain costs are per headcount rather than per FTE student. If as a result the legislature or the executive changes the Regents' funding models, this would be s significant reduction in the authority of the Board with no increase in the autonomy of the colleges and universities. No doubt it would also trigger more intensive lobbying by residential universities to adopt models recognizing the special costs they say they must bear to provide an adequate environment for their "24-hours-a-day" students.

Program Mandates

Over these same years, the General Assembly, though infrequently, required that certain academic programs be established in one or more of the campuses. It is surely no accident that all but two of these ten mandated programs are in medicine, and of the two, one is in agriculture. The former dean of the Ohio State University college of medicine used to be a close associate of Governor Rhodes, and there are other active

and effective medical lobbyists in the statehouse. One of Governor Rhodes' former finance directors, a man also highly respected by members of the General Assembly, is now the vice president for finance of the state's free-standing medical college in Toledo. The dean of the Ohio State University's college of agriculture, who also heads its agricultural research center and the cooperative extension service, has many friends downtown. The programs mandated by the legislature may well be a means by which individuals at a university or college can bypass not only the Ohio Board of Regents but also the institution's president or board of trustees.

During the past 15 years, the biennial appropriations acts or other bills:

1963-65 -- Required that the OSU hospitals conduct research on cancer, mental health, and physical rehabilitation.

1965-67 -- Funded a chair and a program in general practice in OSU's medical school.

1973-75 -- Appropriated funds to the Regents for a feasibility study of a dental college at the Medical College of Ohio at Toledo.

-- Required each state-assisted medical school to have, or to establish, a department of family practice; and funded the program through a separate line item.

1975-77 -- Required the Regents to contract with one medical school to provide a "Fifth Pathway" program for Ohio graduates of foreign medical schools.

-- Established a college of osteopathic medicine at Ohio University.

1977-79 -- Required establishment of, and provided line-item appropriations for, these additional programs:

Geriatric medicine in all state-assisted medical schools;

General-practice dental residencies in selected locations;

"Displaced homemakers" program at Cuyahoga Community College.

-- Established a College of Professional Psychology at Wright State University.

-- Ordered OSU to employ a full-time beekeeper.

These programs were, of course, "not dreamed up by the legislature," as one member of the House put it to me. They rather impose on the system changes requested by presidents or professional groups or other lobbyists.

Other Legislation

Apart from those making biennial appropriations, many other bills are introduced that deal with higher education, or that affect the institutions because they receive subsidies from the state. As with academic programs, some of these changes also were requested by the Board of Regents or one or another institution or group of institutions. During just the current legislative session -- January 1, 1977, through fall of 1978 -- the following became law, in addition to the mandates in the appropriations act:

-- The Board of Regents is authorized to negotiate reciprocity in fees and/or student aid with neighboring states.

-- All boards, among other entities, must report to the Ohio Civil Rights Commission on their affirmative action programs.

-- The General Assembly may invalidate any proposed agency rule. The state colleges and universities were exempted at the last moment, following some heavy university lobbying.

-- State general and technical colleges, as well as university branches and technical colleges, may become state community colleges under stated conditions.

-- The medical school deans and the Regents are to study the need for and feasibility of an education and research center for geriatrics and gerontology.

-- The new Ohio Privacy Board must be kept informed of all personal information systems.

-- A new merit-based scholarship program starts in academic year 1978-79. The $1,000 award is not to be counted as income in determining eligibility for the state's need-based scholarships.

-- No members of boards of education may be appointed to the boards of trustees of technical colleges.

-- Certain members of the Ohio National Guard are made eligible for full-tuition scholarships at public institutions, or for a scholarship equal to the average public tuition to be used at private colleges.

-- The new Department of Energy may make research grants to universities. An Inter-University Energy Research Council is established.

-- In the designation of who must file financial disclosure statements with the Ohio Ethics Commission, after intensive lobbying by college and university representatives and trustees, a partial exemption was granted trustees of higher education institutions.

-- War Orphan Scholarships are extended to students at private schools.

-- Students at diploma nursing schools are made eligible for the state need-based scholarships, the Ohio Instructional Grants.

-- Part-time faculty members must belong to the State Teachers Retirement System, though students, interns, and residents are exempted.

-- No employee of any state-assisted institution may receive a salary of over $55,000, whether from appropriated or non-appropriated funds,

unless a higher salary is established by law. At issue are the salaries of the university presidents, almost all of whom are at or near the limit. The governor's salary is $50,000.

-- The Board of Regents is required to include in its 1979-81 budget recommendations a separate appropriation for the fixed costs of the physical plants (the current funding models are enrollment-driven).

The numbers of bills introduced and those passed during the current biennium and the three prior ones are compared in Table 10. In considering how many became law, one should remember that frequently legislation on the same topic is introduced in both houses; some bills are reintroduced each session and sometimes in special sessions and thus count two or more times toward the total; and the purpose of some bills is realized through a clause in the biennial appropriations bill or an amendment to a supplemental appropriations bill, thus making passage of the individual bills unnecessary.

In spite of these reservations, one can still conclude that fewer bills are introduced dealing exclusively with higher education and a higher proportion are passed than either of all bills or of those dealing exclusively with primary and secondary education. I have no explanation of this difference -- if indeed it constitutes a real trend. A breakdown of the bills on higher education by subject matter (Table 11) suggests that some may be introduced more as a warning to the institutions or the Regents than with the expectation of passage. As one or two legislators remarked to me, the threat of control may be sufficient to curb most abuses.

A rough classification of the bills that potentially affected higher education during the current and three past biennia is given in Table 12. "Watching" all these pieces of legislation represents a sizable burden on the institutions, which must maintain or send representatives to

TABLE 10

BILLS DEALING WITH EDUCATION AND ALL BILLS, OHIO, 1971-1978

General Assembly:	1971 & 1972 109th		1973 & 1974 110th		1975 & 1976 111th		1977 & 1978[a] 112th	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total bills introduced	1,842		2,070		2,168		1,803	
Total bills enacted	356		402		456		339	
of bills introduced		19		19		21		19
Higher-education bills	79		81		68		64	
of all bills introduced		4		4		3		4
Higher-education bills enacted	8		17		19		20	
of all higher-education bills		11		19		25		31
of all bills		0.5		1		1		1
Primary and secondary education bills introduced	132		170		159		164	
of all bills		7		8		7		9
Primary and secondary education bills enacted	22		25		34		14	
of all such bills		17		15		21		9
of all bills		1		1		1		1

[a]Incomplete--through 6/15/78

Sources: "Legislative Status Sheets" and Bulletins of the General Assembly of the State of Ohio, various dates.

TABLE 11

BILLS DEALING WITH HIGHER EDUCATION, BY TOPIC, OHIO, 1971-1978

	1971 & 1972		1973 & 1974		1975 & 1976		1977 & 1978[a]		8-Year Total	
	Intro.	Passed	Intro.	Passed	Intro.	Passed	Intro.	Passed	Intro.	Passed
Admissions	2		7	1	2	1			11	2
Appropriations supplement					2	1	1	1	3	2
Athletics	2		2		1				5	
Campus disruption	6								6	
Capital improvements	1		2				1	1	4	1
Collective bargaining			2						2	
Curriculum	6		3	1	1		8	3	18	4
Fees			2	1	4	1	4	1	10	3
Governance	21	3	15	2	12	4[b]	18	6	66	15
Land conveyance	2	2	5	5					7	7
Liability insurance					4	2	3		7	2
New campuses	2	1					2	1	4	2
New medical schools	5		9	1	4	2			18	3
Ohio Board of Regents			1		1		3		5	
Personnel			3		2	1	2	1	7	2
Private sector	3		3		1		1		8	
Professional licensing	6		6	2	2	1	5		19	3
Research	1				3	1			4	1
Special aid			3		2		1		6	
Student aid	17	1	14	4	25	5	11	6	67	16
Miscellaneous	5	1	4		2		4		15	1
	79	8	81	17	68	19[b]	64	20	292	64

[a]Incomplete--through 6/15/78

[b]An additional bill was vetoed by the Governor.

Sources: "Legislative Status Sheets" and Bulletins of the General Assembly of the State of Ohio, various dates.

TABLE 12

BILLS DEALING WITH HIGHER EDUCATION, PERSONNEL, AND STATE AGENCIES, OHIO, 1971-1978

	1971 & 1972	1973 & 1974	1975 & 1976	1977 & 1978[a]
Higher education	79	81	68	64
Personnel matters[b]	147	153	174	128
State agency matters[b]	76	94	115	128
	302	328	357	320[a]
(All bills	1,842	2,070	2,168	1,803)

a. Incomplete -- to 6/15/78
b. Includes all such bills not clearly unrelated to higher education (for example, dealing with county government or police departments), but all do not necessarily affect it.

Sources: "Legislative Status Sheets" and Bulletins of the General Assembly of the State of Ohio, various dates.

Columbus during legislative sessions, have the relevant administrators on their campuses study the contents and determine the significance of all the bills, and have them reexamined after each committee or floor action. Once the bills have been analyzed, each president must decide whether to lobby for or against them or to remain neutral. During the 1977-79 legislative session, approximately two dozen persons representing higher education were to be seen in the statehouse at various times -- not, I might add, working in concert. Residential, urban, two-year, four-year, research, undergraduate, medical, predominantly black, growing, declining campuses do not always see their interests as identical, nor do campus administrators, faculty members, and students.

Three issues have been of special concern to some members of the legislature, and in some cases to the executive branch, and the subject of repeated attempts to legislate solutions. They are

-- the management of the institutions of higher education,

-- program duplication and cost effectiveness,

-- the treatment of members of minorities, in Ohio, mostly blacks.

Management Improvement

In 1967, the then Finance Director, Richard Krabach (now a member of the Board of Regents), in conjunction with a Joint Legislative Committee to Review the Administration of Education in Ohio, engaged a consulting firm, Warren King and Associates of Chicago, to study the management of the institutions of higher education. Their 13-volume report, including one volume on each campus, was delivered in late 1969. It recommended that the role of the Ohio Board of Regents be broadened and its authority increased, especially to implement an annualy revised Master Plan. It also called on the Board to manage regional computer networks, to develop a uniform administrative system for the campuses, and to increase its staff.[1]

At the suggestion of the then Chancellor John Millett, who did not agree with the major Warren King recommendations, the joint Legislative Committee asked the Legislative Service Commission to summarize the reports and make its own recommendations. The Commission's report in 1970 did not accept the 200 recommendations made by Warren King and instead proposed that the Ohio Board of Regents "stick scrupulously to master planning and coordination rather than pre-emptive administration."[2]

In the 1971-73 budget act, the legislature established an Education Review Committee, with a budget of $75,000 for the biennium, to "observe and oversee the conduct of a management improvement program . . . conducted by and within the system of state-assisted institutions of higher education, under the direction of the Ohio board of regents." The bill went on to specify the areas to be reviewed:

> Internal organization, planning process, financial management, budget preparation and management, auxiliary services management, space management and plant operation, purchasing procedures and inventory control procedures, student data systems including admissions procedures and student registration procedures, management reporting system, data processing, personnel management, and library management.

The purpose of this program was further defined as follows:

> The management improvement program shall seek to achieve uniformity in organizational structure and management procedures within and among state-assisted institutions of higher education only insofar as uniformity may have substantive value to the Ohio board of regents in the performance of its authorized duties and to the respective institutions in the conduct of their activities. In general, uniformity may be desirable as to units of measurement, reporting procedures, and technical language of communication about subjects of management, and not necessarily as to organizational structure and management practices as such.

In the following biennial appropriations bill (1973-75), the Education Review Committee was given $200,000, but its mandate was to review the financing of primary and secondary education. Responsibility for conduct of the Management Improvement Program for higher education, and funds

for its cost, were assigned to the Board of Regents, with "teaching hospital operation" added to the list of subjects to be studied.

While according to the earlier mandate the Regents were to "design, test, and install in each . . . institution" the procedures found most efficient in their review,[3] the 1973-75 appropriations bill stated rather that the Board "shall assist institutions in implementaing management improvements" based on the program's findings. It also required the Regents to produce an operating manual for each subject area.

The Board of Regents employed a staff of several professionals for about four years to write and publish ten "manuals of best practice," based on meetings and discussions with representatives of the universities and of the colleges and on a review of national practices. With half the books on the universities, the other half on the two-year campuses, they covered Planning, Computer Services, Personnel, Program Budgeting, and Registration and Scheduling.[4]

Most recently the House added $500,000 to the Board of Regents' appropriation for 1977-79 to contract with outside consultants for management studies, to be s ected by a task force that includes legislators. Five contracts were made in July 1978 for studies of "institutional and state-level program review, instructional budgeting practices, strategic planning for financial stability and flexibility, cost containment, and management development."[5]

The Governor also has frequently indicated his concern about the cost, management, and direction of higher education. In 1977 he asked the Governor's Council for Cost Control to advise him on these matters as it has on other issues related to state government expenditures. The Council was privately funded, located in the State Department of Administrative Services, with a small staff headed, for the studies on higher education,

by a close associate of the Governor's and member of the Board of Regents. The Council contracted with Warren King and Associates for one report on higher education in general[6] and one on the two-year campuses.[7]

The second report made two major recommendations:[8]

-- Merge all existing two-year campuses (university branches, technical colleges, community colleges, state community colleges, and the community and technical colleges that are a part of four of the urban universities) into a "comprehensive statewide network of community and state community colleges," administered by the boards of trustees of any university, or one selected out of several universities, within each of 30 proposed state community-college districts.

-- Greatly increase the authority of the Ohio Board of Regents to enable it to accomplish this and also to control programs, enrollments, capital expansion, and even staff assignments.[9]

These recommendations were not well received by those in higher education. The presidents of the technical and community colleges publicly asked the Board of Regents to repudiate the plan. The Board refused to do so, but it also failed to endorse the report -- or indeed to express any opinion on it. Governor Rhodes also did not publicly state his views. It seems doubtful to me that the legislature will implement either recommendation.

Program Budgeting and Review

Program budgeting was a main goal of the Gilligan administration, and the 1973-75 budget bill stated:

> The General Assembly declares its intent to continue the development toward a program oriented budget. . . The director of finance shall develop data about each program which will be susceptible to legislative judgment

> about the efficiency and effectiveness of the program and these performance indicators shall be available for use in the budgetary process (Sec. 53, H.B. 86).

Versions of this language have been repeated in the subsequent budget bills. In 1975-77, the following was added:

> These performance indicators should serve as measures of whether or not a program is accomplishing its objectives and should describe clearly the benefits to be gained from the expenditure of tax dollars. Specific measures of program accomplishments, such as volume, ratios, and percentage changes, should be listed, and, whenever possible these performance indicators should describe the impact of the program on the people of Ohio. If a performance indicator is not self-explanatory, a narrative definition or explanantion of the measure should be provided (pp. 172-173, H.B. 155).

The 1977-79 budget bill wrote into permanent law (ORC 126.04), as one of the duties of the Office of Budget and Management, investigation of "duplication of work of the departments and the efficiency of the organization and administration of departments. . . Data about the efficiency and effectiveness of the programs and performance indicators shall be made available to the General Assembly through reports to the Legislative Budget Committee . . for use in the budgetary process." During 1978 the Office of Budget and Management undertook a major program to develop evaluation criteria for all state agencies, for use in the executive budget for 1979-81. Though the institutions of higher education are not "departments" of the state, as in ORC 126.04, by some definitions they are state "agencies" as noted earlier. In any case, the Office of Budget and Management included higher education among the units for which it developed performance indicators. It is not yet known what the criteria for higher education will be -- the Board of Regents is still discussing the matter with the Office, with some involvement by the universities.

In the same bill, the legislature also assigned to its Legislative Budget Committee the task of reviewing and evaluating some programs:

> The program expenditure reviews shall be conducted in order to develop recommendations as to whether the cited program is achieving its stated objectives as established by the General Assembly or as interpreted by the agency administering the program; to assess and evaluate the incurred expenditures and administrative conduct of the program; and to ascertain whether the program as constituted should be continued, modified or abolished . . . . The standards and criteria used in the review . . . shall be designed to permit the application of both a quantitative (cost-benefit) and qualitative rating system to the program. . . . Each affected department shall furnish such information, papers, documentation, and records to the Legislative Budget Committee . . . as are necessary to carry out the intent of this provision (pp. 239-240, S.B. 221).

During 1977-78, the Legislative Budget Office chose to evaluate one higher education project, the Fifth Pathway Program (medical), out of a total of five or six.

Members of Minorities

When the bill establishing the Ohio Instructional Grants was first introduced, it did not include a non-discrimination requirement for institutions of higher education in which scholarship recipients may enroll, but because of the efforts of a black legislator, compliance with Title VI of the federal Civil Rights Act of 1964 was added on the floor of the Senate as a condition of participation in the program (ORC 3333.12). The law governing the guaranteed student loans also requires compliance with this federal law (ORC 3351.14).

Beginning in 1975-77, black members of the General Assembly introduced into all budget bills amendments requiring affirmative action in employment by both state agencies and firms that receive state contracts; monitoring by universities of compliance on the part of their contractors; affirmative action in admissions; and, most recently, a "set-aside" for contractors who are members of minorities for the award of state construction contracts, including those in higher education. The amendments were changed in various ways, and some did not survive.

The 1975-77 appropriations bill (H.B. 155) would have enacted into permanent law (ORC 3333.041) a mandate that the Ohio Board of Regents promulgate rules and monitor their execution, requiring "each institution of higher education receiving appropriated state money to adopt an affirmative action program" for faculty, staff, and student recruitment to "reasonably reflect the race and sex composition of the state's population." Governor Rhodes vetoed this language.

The following General Assembly in its budget language bill (S.B. 221) did enact a permanent law (ORC 153.59) forbidding discrimination by contractors and subcontractors on state-funded capital improvements projects. It further required the state's Department of Administrative Services to ensure that no state funds go to any project that does not include an "affirmative action program for the employemnt and effective utilization of disadvantaged persons whose disadvantage may arise from cultural, racial, or ethnic background, or other similar cause, including, without limitation, race, religion, sex, handicap, national origin, or ancestry." The section goes on to call for "equal consideration" for "minority business enterprises," i.e., those owned or controlled by "Negroes, Puerto Ricans, Spanish-speaking Americans, American Indians, Eskimos, and Aleuts."

Some pages later, another new permanent law was enacted (ORC 3345.29) requiring each state university and college to "establish an office of contract compliance . . . in the office of the vice president for business and administration or its equivalent" to:

> (A) monitor all contracts for construction, materials, services, and consulting to insure compliance with state and federal law regarding affirmative action programs and equal employment opportunity and notify, in writing, any contractor of any preliminary finding of noncompliance;
>
> (B) review and approve all contracts prior to final execution;
>
> (C) keep such current records on contractors which have been reviewed as the contract compliance officer shall require;

(D) maintain a copy of all contracts and purchase orders;

(E) submit an annual report to the General Assembly, which shall be a part of the institution's capital plan;

(F) issue a stop-work order on any construction project where one or more of the contractors on such project has failed in the opinion of the office to comply with state or federal affirmative action or equal employment opportunity within thirty days of receiving notification of noncompliance under division (A) of this section.

There is some question of whether the universities and state community colleges can legally comply with section F, since the contracts for construction are between the Director of Public Works of the State Department of Administrative Services and the vendors, rather than with the colleges and universities.

In the 1977-79 General Assembly, an amendment was introduced to the capital-appropriations bill (Section 13 of H.B. 618) calling for a "set-aside" for minority and/or small businesses. After lengthy debate and numerous amendments to the amendment, some of which were passed, the section (in temporary law) requires the Board of Regents to certify eligible minority or small businesses, and to identify capital projects on which these businesses will be invited to bid. The Regents' regulations to implement Section 13 were also long debated by members of the Board before they were adopted. When the final version did not require the Board to allow only certified minority and small businesses to bid on the "set-aside" projects, this prompted a House resolution "expressing the intent of the 112th General Assembly in enacting Sub. H.B. 618":

> BE IT RESOLVED, That we, the members of the 112th General Assembly, adopt this Resolution as a formal expresssion of the intent of the 112th General Assembly that the Ohio Department of Administrative Services and the Ohio Board of Regents shall set-aside (designate) specific capital improvements projects, specific contracts or sub-contracts to be awarded to minority businesses which meet the

> certification requirements of Section 13 of Sub. H.B. 618. Those projects, contracts or sub-contracts or sub-contracts [sic] which are set-aside for minority businesses shall not be subject to bidding by businesses not meeting the certification requirements of a minority business under Section 13 of Sub. H.B. 618; and be it further
>
> RESOLVED, That it is also the intent of the 112th General Assembly that the Ohio Department of Administrative Services and the Ohio Board of Regents shall set-aside (designate) specific capital improvement projects, contracts, or sub-contracts, not including those capital improvement projects, contracts or sub-contracts set-aside for minority businesses, to be awarded to small businesses which meet the certification requirements of Section 13 of Sub. H.B. 618; and be it further
>
> RESOLVED, That those projects, contracts, or sub-contracts, which are set-aside for small businesses shall not be subject to bidding by those businesses which do not meet the certification requirements of a small business under Section 13 of Sub. H.B. 618, except those minority businesses which meet the small business certification requirements of Section 13 of Sub. H.B. 618; and be it further
>
> RESOLVED, That the Clerk of the House transmit duly authenticated copies of this Resolution to the Ohio Department of Administrative Services and to the Ohio Board of Regents.[10]

The Regents to date have not modified their procedures, and the enforcement of this law remains a problem. For example, the definition of small business used in the bill is that of the U.S. Small Business Administration, which apparently is broad enough to include all but one or two of the architectural firms in the state.

Capital Appropriations Procedures

The laws and rules of the legislature and the Board of Regents governing capital improvements are among the most complicated, and most resented, limitations on the institutions' autonomy. In 1974, according to a committee of the Inter-University Council, to implement each capital improvement required 60 steps involving the university, the Ohio Board of Regents, the Office of Budget and Management, the State Controlling Board, the State Department of Public Works, and the State Auditor. The Council

recommended certain changes to the Board of Regents' staff to devise a simplified procedure. In January of 1977 the Board approved recommendations that would have eliminated a quarter of the steps required.[11]

The Board's capital budget proposal for 1977-79, thus, used the simplified procedure for release of funds, and this was followed in the appropriations bill introduced in the House and adopted without change. The Senate Finance Committee, however, changed the procedure back to what it had been, adding the additional requirement that any capital improvements in whole or in part supported by state funds must use steel made in the United States.[12] The reason given for the change in the Legislative Budget Office's analysis of the bill is that "the Senate Finance Committee . . determined that the legislative controls [in prior bills] were desirable and necessary." [13]

One of the most sensitive of perennial issues is what equipment may be purchased with bond money. The Office of Budget and Management and the State Controlling Board have repeatedly increased the restrictions on the colleges and universities.

VI. STATE FUNDS

The legislature's estimation of the Board of Regents, which was high during the first two Rhodes adminstrations and has declined ever since, does not appear to have as much effect on appropriation for higher education as might be expected. As a percentage of the state's General Revenue Fund, these have remained relatively constant. In Table 13, the first three columns include only appropriations directly to the institutions and thus, in Ohio, omit some or all funds given to the Board of Regents for distribution to the campuses, as well as student aid and debt service. The last column, on the other hand, includes these as well as a few small programs outside of higher education as usually defined. For Ohio, I believe the latter to be a better indicator, but the other data have been included to provide a comparison with other states.

In Table 14 Ohio and United States are compared for the annual percentage increase in the General Revenue Fund and the percentage increase in the proportion appropriated to higher education. Ohio's institutions of higher education consistently received more of a funding increase than the percentage growth in state revenues, except in the last year. Compared to higher education in other states, that in Ohio was ahead in five years, behind in four.

Per FTE student, Ohio's appropriations have increased by higher percentages than the averages in either the East North Central states or the United States (Table 15). These figures also are incomplete for Ohio and perhaps for some other states. According to Chambers, the ten-year increase through 1975-76 was by 431% in Ohio compared to 311% for the country as a whole (Table 16).[1] The gain in Ohio was also by much more than in the other East North Central states.

TABLE 13

SUPPORT OF HIGHER EDUCATION AS A PERCENT OF THE STATE GENERAL REVENUE FUND, OHIO, SELECTED STATES, AND U.S., 1963-1977

	Appropriations to the institutions of higher education (calendar years)[1]			Expenditures of higher education sector (fiscal years)[2]
Year	U.S.	East North Central States[a]	Ohio	Ohio
1963				7.6 (1962-63)
1964				8.5
1965				10.2
1966				13.1
1967				17.1
1968	15.21	17.75	13.36	16.1
1969	15.56	18.13	14.20	19.9[b]
1970	15.79	17.42	15.22	16.8
1971	16.24	17.87	15.53	14.9
1972	15.77	16.98	14.04	14.6
1973	14.59	15.95	12.65	13.0
1974	14.75	14.89	12.59	13.4
1975	14.68	14.47	12.41	13.0
1976	14.95	13.53	12.96	13.7
1977	14.94	13.93	12.92	14.0
1978				14.7 (1977-78)

a. Illinois, Indiana, Michigan, Ohio, Wisconsin.
b. Some differences may be due to changes in the Department of Finance's definition of what constitutes the State General Revenue Fund, as in this year.

Sources:

1. Compiled in Janet Ruyle and Lyman Glenny, State Budgeting for Higher Education: Trends in State Revenue Appropriations from 1968 to 1977 (Berkeley: Center for Studies in Higher Education, October 1978, in press), Table 13, based on data supplied by the Ohio Board of Regents and its equivalents elsewhere.
2. Communication from Office of Budget and Management, August 31, 1978. These Percentages are for the fiscal years ending June 30. Included in "higher education sector" are all expenditures for higher education, including student aid, debt service, and various programs to which funds are disbursed by the Ohio Board of Regents; excluded are capital expenditures. The sector also includes the Ohio Student Loan Commission, the Ohio Arts Council, the Ohio Historical Society, the Ohio Educational Television Network Commission, and the State Board of School and College Registration, all small-budget agencies.

TABLE 14

PERCENT INCREASE IN STATE GENERAL REVENUE FUNDS AND IN APPROPRIATIONS TO INSTITUTIONS OF HIGHER EDUCATION, OHIO AND U.S., 1968-1977

	Total state General Revenue Fund		Total state GRF to higher education	
	Ohio	U.S.	Ohio	U.S.
1968-69	11.85	14.43	18.93	17.06
1969-70	16.51	16.65	24.85	18.40
1970-71	8.92	9.64	11.16	12.76
1971-72	28.13	13.90	15.82	10.56
1972-73	18.73	18.67	7.02	9.76
1973-74	13.79	14.03	13.22	15.29
1974-75	15.03	12.62	13.43	12.11
1975-76	8.43	11.76	13.21	13.77
1976-77	11.15	9.35	10.80	9.60
1968-72	81.88	66.68	91.17	72.79
1973-77	57.75	56.97	61.09	61.17

Source: Janet Ruyle and Lyman Glenny, State Budgeting for Higher Education: Trends in State Revenue Appropriations from 1968 to 1977 (Berkeley, Calif.: Center for Studies in Higher Education, October 1978) in press, Tables 3 and 11.

When state appropriations per FTE student are compared by type of institution (Table 17), Ohio's support of the graduate/research universities proves to be below the national average for the ten years covered in the table -- by 19% in 1968, gradually increasing to 23% in 1977. Support of the other four-year campuses is also at lower rates, but the percentage difference fell from 12.7 in 1968 to 8.4 in 1977. Ohio's appropriations to the two-year colleges in 1977, however, were 17% higher per FTE student than nationally, having risen from a start in 1968 of nearly 30% below. The reversal in the two-year programs' funding pattern started in 1972.

The increased total appropriations were both a result and a cause of the huge growth in enrollments in the public sector. Institutions were enlarged and new ones created to provide services for the baby-boom adolescents, and commuting students who might not have enrolled otherwise were attracted to such new campuses as, for example, Cuyahoga Community Colleges' three campuses and Cleveland State University.

Capital Improvements

Capital outlays for instructional facilities underwent an even more spectacular upsurge. Of the total of $1.4 billion since 1951-53, all but $92 million was appropriated since 1963-65, the year in which the Board of Regents was established and the first permanent branch buildings and the first community college campuses were begun. Early bond issues were financed with a share of the cigarette tax, but for bonds issued since 1965, debt service has been appropriated out of the state General Revenue Fund.[2] The total capital appropriations are shown in Table 18.

It is noteworthy that in spite of predictions that enrollment would level off or decline, the following capital appropriations for new buildings and land acquisition were made in 1977-79:

TABLE 15

PERCENT INCREASE IN STATE APPROPRIATIONS PER FTE STUDENT IN PUBLIC INSTITUTIONS OF HIGHER EDUCATION, OHIO, SELECTED STATES, AND U.S., 1968-69 TO 1976-77

	Ohio	East North Central States*	U.S.
1968-69	8.20	4.03	6.36
1969-70	11.36	8.24	8.37
1970-71	3.02	5.26	3.55
1971-72	9.40	5.20	4.33
1972-73	7.81	8.82	7.10
1973-74	13.28	11.92	11.81
1974-75	11.30	1.30	5.88
1975-76	5.57	12.16	5.54
1976-77	9.64	8.03	8.65
1968-1972	35.80	21.84	23.49
1973-1977	45.93	37.37	33.75

*Illinois, Indiana, Michigan, Ohio, Wisconsin

Source: Janet Ruyle and Lyman Glenny, State Budgeting for Higher Education: Trends in State Revenue Appropriations from 1968 to 1977 (Berkeley: Center for Studies in Higher Education, October 1, 1978, in press) Table 229.

TABLE 16

TEN-YEAR PERCENTAGE GAIN IN APPROPRIATIONS OF STATE TAX FUNDS FOR OPERATING EXPENSES OF HIGHER EDUCATION, OHIO, SELECTED STATES, AND U.S., 1965-66 TO 1975-76

Ohio	431
U.S.	311
Other East North Central States:	
Illinois	215
Indiana	226
Michigan	215
Wisconsin	326

Note: Includes state scholarship funds, expenditures of statewide boards, and appropriations to agencies other than colleges and universities, if appropriated for higher education operating expenses. Excludes capital funds and any appropriated tuition, fees, and other institutional income.

Source: M. M. Chambers, Appropriations of State Tax Funds for Operating Expenses of Higher Education, 1975-76 (Washington, D.C.: National Association of State Universities and Land-Grant Colleges, November, 1975), pp. 6 and 5.

TABLE 17

STATE APPROPRIATIONS PER FTE STUDENT
IN PUBLIC HIGHER EDUCATION, BY TYPE OF INSTITUTION,
OHIO AND U.S., 1968 - 1977

	Graduate/research universities		Other four-year institutions		Two-year colleges	
	Ohio	U.S.	Ohio	U.S.	Ohio	U.S.
1968	$1148	$1411	$ 721	$ 826	$ 375	$ 513
1969	1240	1522	793	900	365	512
1970	1344	1648	894	991	531	605
1971	1350	1728	952	1049	529	609
1972	1520	1796	1026	1119	586	651
1973	1584	2007	1216	1387	649	605
1974	1731	2243	1392	1585	807	707
1975	1888	2440	1599	1717	875	730
1976	2210	2763	1657	1843	879	807
1977	2313	3000	1851	2021	1053	901

Source: Janet Ruyle and Lyman Glenny, State Budgeting for Higher Education: Trends in State Revenue Appropriations from 1968 to 1977 (Berkeley: Center for Studies in Higher Education, October 1968) in press, Tables 211, 212, and 213.

Universities	$56,482,000	
Medical facilities	16,323,000	$72,805,000
Branches		6,575,000
Community colleges		11,000,000
Technical colleges		19,185,000
State community colleges		4,456,000
Agriculture		2,150,000
		$116,171,000

The total capital appropriations for the biennium of $206.4 million included $3 million for purchase by the state of some Ohio University residential facilities to relieve the institution of some of its debt service. Neither this appropriation nor about half of the remaining ones had been recommended by the Board of Regents, which has on many occasions expressed great concern over the increasing share of the higher education appropriations that must be used for debt service -- at present about 10%. The Regents' recommendations for 1979-81 total $150 million, compared to requests by the institutions for $460 million.[3]

Whether or not the Board of Regents recommends a given capital appropriation, the Governor may of course include it in his budget proposal, if he so wishes, or a legislator may have it included in the appropriations bill or an amendment to it. In all but a very few instances, this happens at the request of the institutions concerned; in the case of the universities, a president or a trustee or even a well connected vice president or dean may contravene the institution's priorities.

Legislators are quite aware of the contradiction between their mandate to the Board of Regents to draw up a capital plan that represents the needs and interests of the state as a whole, rather than of an individual school or area, and the frequent bypassing of this plan. Several legislators, all of whom are in the current majority, mentioned to me the need to cut back, and in this context expressed the hope that the next chancellor would be able to control the size of the capital budgets. The chancellor

TABLE 18

CAPITAL IMPROVEMENTS APPROPRIATIONS FOR INSTRUCTIONAL FACILITIES, OHIO. 1951-53 TO 1975-77

	Year begun	$000
Universities	1951-53	951,283
Medical colleges, agriculture and miscellaneous	1951-53	148,774
Branches	1963-65	103,624
Community colleges	1963-65	83,660
Technical colleges	1965-67	111,113
State community colleges	1975-77	13,038
		1,411,227

Sources: Ohio Board of Regents, Basic Data Series: Ohio Higher Education (Columbus: August, 1977), p. 31; H.B. 618 of the 112th General Assembly of the State of Ohio, pp. 20-26.

and board, who do not have to stand for election, they felt, should be able and willing to assume the blame if certain appropriations requested by their constituents are not made.

It is ironic that Chancellor Norton is seen by some as having been too permissive, for his opposition to new medical schools and branch campuses that he believed were not needed in the state created conflict between him and many legislators. This was also one important reason for the frequent calls for abolition of the Board of Regents.

VII. STUDENT AID AND TUITION

Funds Awarded

Table 19 shows the total funds granted and lent to Ohio students under the state's programs. The two most significant by far are the guaranteed loans and the instructional grants.

Guaranteed Loans

The first state student-aid program established in Ohio guaranteed student loans made by private lenders, with a reinsurance agreement with the federal Department of Health, Education, and Welfare under the Guaranteed Student Loan program, which also pays interest charges on certain loans while the borrowers are still in school. The state agency set up in 1963 was called the Ohio Higher Education Assistance Commission; its name was changed to the Ohio Student Loan Commission (ORC 3351) in 1970-71, when two other state student-aid programs were established under the aegis of the Ohio Board of Regents. Schools at which students may be enrolled with a guaranteed student loan include proprietary schools and postsecondary vocational programs under the jurisdiction of the State Department of Education.

The Ohio Student Loan Commission, like its predecessor, charges students a small insurance fee which pays for basic operating costs. The General Assembly also appropriated relatively modest sums for a loan-guarantee fund in the early years, and special-purpose subsidies in later years for field work to encourage lenders to make student loans. Until 1977 the Commission guaranteed 80% of the amounts of the loans. This was thought to be one reason for the extraordinarily low default rate in Ohio, since the banks could lose 20% on loans not repaid. As interest rates have gone up to much higher levels than those federal law

TABLE 19

AWARDS AND LOANS MADE, STATE STUDENT AID PROGRAMS, OHIO, 1962-63 TO 1978-79

	OHEAC	OIG	WOS	OAS
Fiscal Year	New loans guaranteed $000	awarded $000	awarded $000	appropriated $000
1962-63	$1,384			
1963-64	2,279			
1964-65	2,701			
1965-66	3,646			
1966-67	4,322			
1967-68	7,239			
1968-69	14,052			
	OSLC			
1969-70	16,570		$ 90.0	
1970-71	22,308	$4,595[a]	90.0	
1971-72	29,102	14,586	160.0	
1972-73	26,252	15,595	160.0	
1973-74	23,045	16,888	177.5	
1974-75	27,860	18,642	187.0	
1975-76	30,986	19,846	192.8	
1976-77	34,772	24,053	332.3	
1977-78		23,051[c]	744.0	
1978-79[b]		31,541	1,297.0[d]	$1,000

OHEAC = Ohio Higher Education Assistance Commission
OIG = Ohio Instructional Grants
WOS = War Orphans Scholarships
OAS = Ohio Academic Scholarships
OSLC = Ohio Student Loan Commission

Sources: Ohio Student Loan Commission, 1977 Annual Report (Columbus, February, 1978), p. 99; Ohio Board of Regents, Ohio Instructional Grants, Eighth Annual Report, 1977-1978 Academic Year (Columbus, September 1978), pp. 9-10; Ohio Board of Regents, Basic Data Series: Ohio Higher Education (Columbus: August 1977), p. 26.

[a] The appropriation had been $8.5 million.
[b] Appropriated, award amounts not yet available.
[c] Students at diploma nursing schools made eligible.
[d] Certain members of the Ohio National Guard made eligible for full-cost scholarships.

allows for guaranteed student loans, the 20% potential loss to lenders was seen as more and more of a disincentive, and in 1977, the General Assembly raised the guarantee to 100%. Out-of-state students enrolled in Ohio institutions were made eligible for loans (Ohioans enrolled in out-of-state colleges had been eligible all along), and banks that want to become or remain public depositories were required to participate in the GSL program. As of 1976, active lenders included 361 banks, 107 credit unions, six schools, and 117 savings-and-loan associations -- a total of 591, up from 256 in 1962. The portfolio value as of June 30, 1977, was $172.5 million.[1] The average loan increased from $1,020 in 1969 to $1,758 in 1977.[2]

Ohio War Orphans Scholarships

This was the first state grants program established by the legislature in 1969-70 for undergraduates (ORC 5910). With various changes over the years, it now provides full tuition awards at public institutions to children of disabled or deceased veterans, and a grant for an amount equal to the average tuition in the public sector for those enrolled at private institutions. Children of persons declared missing in action or prisoners during the Vietnam war who attend a public or a private college or university are eligible for not only tuition but also room and board, laboratory fees, and an allowance for books and supplies. The 1977-79 appropriations act provided for full-tuition grants also for certain members of the Ohio National Guard for study at a public institution, and an amount equal to the average tuition in the public sector for those in private institutions.

Ohio Instructional Grants

The first Master Plan of the Ohio Board of Regents, published in 1966, called for expansion of the Guaranteed Student Loan program and

recommended a Tuition Equalization Grant program for full-time Ohio students at accredited private four-year schools, based on family income and number of children. The Board had "considered the desirability of a state scholarship program and rejected the plan as neither necessary nor desirable under present circumstances,"[3] mainly because the federal student-aid programs were expected to be sufficient. The cost of the proposed Tuition Equalization Grant Program was estimated at $3 million per year.[4]

The 1969-71 appropriations act set up instead the Ohio Instructional Grants program (ORC 3333.12), which provides need-based grants for full-time Ohio undergraduates in both public and private accredited or certified colleges and universities. It does not include vocational or proprietary schools, except diploma nursing schools, nor Ohioans who study out of state. One purpose of the program is tuition equalization, realized by setting the maximum grant for a student in a private school much higher than for a student of equal means enrolled in a public institution. Of the $8.5 million appropriated for the first year, $6 million was intended for the private sector (but of the $4.6 million actually disbursed, it received only $2.6 million). As shown in Table 20, the difference has gone from $600 in 1970-71 to $1,100 since 1975-76. The maximum Tuition Equalization Grant recommended in the 1966 Master Plan had been $250 per semester, compared to the current average private sector grant of $878.

The awards and conditions have been changed repeatedly since then, and in the current biennium the maximum is:

in the public sector	$ 600,
in the private sector	1,500.

TABLE 20

OHIO INSTRUCTIONAL GRANTS, BY TYPE OF INSTITUTION
1971-72 TO 1976-77

	1970-1	1971-2	1972-3	1973-4	1974-5	1975-6	1976-7	1977-8
Maximum award								
public sector	$300	$300	$ 510	$ 570	$ 570	$ 600	$ 600	$ 600
private sector	900	900	1,200	1,320	1,320	1,500	1,500	1,500
Average award								
public sector	$197	$339	$307	$302	$312	$310	$340	$318
private sector	544	791	765	722	802	799	877	878
all institutions	307	488	427	416	440	421	458	437
Total dollars, millions								
public sector	$2.0	$6.9	$8.3	$8.9	$9.9	$11.3	$13.9	$13.2
private sector	2.6	7.7	7.3	8.0	8.7	8.6	10.1	9.8
total	4.6	14.6	15.6	16.9	18.6	19.9	24.0	23.0
Percentage								
to public sector	43.8	47.0	53.3	52.8	53.1	56.8	57.9	57.4
to private sector	56.2	53.0	46.7	47.2	46.9	43.2	42.1	42.6
Total awards, no.								
public sector	10,176	20,198	27,050	29,662	31,489	36,399	40,974	41,631
private sector	4,728	9,772	9,511	11,008	10,897	10,725	11,548	11,183
total	14,904	29,970	36,561	40,670	42,386	47,124	52,522	52,814
Percentage								
to public sector	68.3	67.4	74.0	72.8	74.3	77.2	78.0	78.8
to private sector	31.7	32.6	26.0	27.2	25.7	22.8	22.0	21.2

Sources: Charles W. Seward, III, "Student Financial Aid in Ohio," paper presented to the Citizens Task Force on Higher Education, 1973, p. 1; Ohio Board of Regents, Ohio Instructional Grants: Eighth Annual Report, 1977-78 Academic Year (Columbus, September 1978), pp. 9-10.

The maximum gross family income setting eligibility for the maximum grant is $5,000 (or up to $8,999 with five children), and the maximum gross income for eligibility for any amount is $16,999. Gross income is defined as "all taxable and nontaxable income of the parents, the student, and the student's spouse," except students' summer earnings.[5]

Table 20 also shows the maximum and average awards in the public and private sectors since 1970-71 and the percentage of awards and dollars to each. The program with respect to the private institutions is discussed further on pp. 96 ff.

In 1976 the Board of Regents, acting as the 1202 Commission, appointed an advisory committee to recommend state policy with respect to the proprietary schools. The committee's report limited itself to the 25 Ohio schools that are licensed by the state to grant associate degrees and are accredited by a commission recognized by the U.S. Office of Education. Its main recommendation was that Ohio Instructional Grants be made to full-time students in these programs, at an estimated cost of $1 million per year.[6] The Board of Regents gave the committee's report a rather hostile reception at its September 1977 meeting and did not act on it.

Ohio Academic Scholarships

Republican legislators in several recent sessions tried to establish a merit-based scholarship program, in addition to the need-based one, but none of the bills ever moved out of committee. In the 1977-79 session, a Democratic member of the House introduced such a proposal; Chancellor Norton was strongly opposed, but most public and private presidents were in favor, and the bill passed.

In 1974 the Citizens Task Force of the Board of Regents had recommended establishment of a "Regents' Scholarship Program" that would award "a minimum grant based on merit and expanded to maximum grant based on need."[7] The 1,000 Ohio Academic Scholarships, however, do not take need into account; each recipient is awarded $1,000 that may be used at a public or private college or university so long as it is in Ohio. One award must go to a student from each of Ohio's 887 chartered high schools, public and private, and the remaining 113 go to the next highest qualified from a statewide pool. During 1978-79, according to a preliminary analysis, 699 awards, or 70%, went to students enrolled in the public sector; 301, or 30%, to students in the private sector.[8]

Reciprocity and Portability

In May 1977 the General Assembly passed a bill that had been introduced at the request of the Board of Regents, authorizing reciprocity in tuition and fees, and portability of student aid to adjoining states which allow use of their scholarships in Ohio. This had long been a goal of Chancellor Norton's, and also of several public colleges and universities located near the borders with Pennsylvania, West Virginia, Kentucky, or Michigan. It also had been a high-priority aim of the Association of Independent Colleges and Universities of Ohio, though not of each of its members, and its president testified in favor of the bill. The sizable cost to the state's General Revenue Fund was not brought out in the hearings. The act requires dollar parity in the amounts coming in from other states and those going out, but the instructional grants out of state will come from the state treasury, while the scholarships coming in will go to the institutions, whether public or private; tuition reciprocity will require state subsidies for certain out-of-state undergraduate students, with no return to the General Revenue Fund but rather to the individual Ohio students who go to an out-of-state school.

The immediate impetus to passage of this bill was Pennsylvania's threat to forbid the use of its scholarships in Ohio unless Ohio reciprocated. To date two agreements have been negotiated and approved by the State Controlling Board, for aid portability with Pennsylania and for tuition reciprocity between Michigan and Ohio at only two universities, Eastern Michigan and Toledo. This last contract caused some unhappiness among other Ohio public institutions, especially those near the Michigan border, which have in the past enrolled many students from that state, since it will now be considerably more expensive for them to attend any institutions in Ohio other than the University of Toledo.

It appears unlikely that the Board will attempt to extend reciprocity to other states or institutions in the near future.

Administration

In the first year of the program, students applied to their college or university for an Ohio Instructional Grant, as they do for federal campus-based programs; the institutions in turn submitted the names of eligible applicants to the Board of Regents. Because one individual could apply at several schools, and some did, and because financial aid officers' judgments varied on whether a particular student was eligible and, if so, for how much, the program was centralized beginning with the second year, though most aid officers did not welcome the change. All applications now go directly to the Board. The students receive a notification of award, which they submit toward tuition. The grants for the successful applicants are paid in a lump sum to each school.

The Ohio Student Loan Commission, like the Ohio Board of Regents, is an independent board whose nine members are appointed for nine-year terms by the governor and confirmed by the Senate. The Commission is reputed to have the most efficient and effective staff of all state agencies in Ohio.

Its executive director is influential among his student loan commission peers, and has pioneered such programs as a self-supporting computerized interest billing system and loan collection procedures that have resulted in one of the lowest, if not the lowest, default rates in the country.

Concerning the Board of Regents' Instructional Grants program, on the contrary, institutions complained about late notification of awards, late payments to the schools, and insufficient publicity. In the executive budget for 1975-77, the Governor proposed that instructional grants be shifted from the Regents to a new Ohio Student Financial Assistance Commission, which would incorporate the Ohio Student Loan Commission, whose present staff, with some additions, would administer the new agency. Because of the elimination of this program and the completion of the Management Improvement Program initiated some years earlier, the executive budget proposed cutting the Regents' staff from 56 in 1975-76 to 35 in 1976-77 and 1977-78, with commensurate budget cuts. This proposed reorganization was not adopted in the appropriations act.

Both the Ohio War Orphans Scholarships and the Ohio Academic Scholarships are administered by the Board of Regents' Student Assistance Office. The War Orphans Scholarships have a separate Governor-appointed board, the Academic Scholarships a committee advisory to the Regents.

State and Federal Programs

In a paper prepared for the Citizens Task Force on Higher Education that the Board of Regents established in 1973, the director of the Regents' Student Financial Aid Office said that the success of the Ohio program in meeting student's costs was "critically dependent upon the federal programs." By his estimate in Ohio the Instructional Grants plus Guaranteed Student Loans, National Direct Student Loans, College Work-Study, Basic Educational Opportunity Grants, and Supplemental Education Opportunity Grants provided 80% of all financial aid awarded on a need basis.

The balance comes either from categorical programs of the federal government or from private scholarships, mostly for merit.[9]

When Chancellor Millett in his first Master Plan proposed Tuition Equalization Grants, he said:

> Some colleges might be able to increase their fee charges somewhat with the assurance that no deserving student was denied an opportunity to enroll in a college.[10]

By the 1971 Master Plan, however, he saw an opposite relation between aid and tuition:

> It is essential that as student charges are increased, the state's student assistance program for students from low-income families should be expanded.[11]

In the six years during which I attended all hearings and meetings of the finance and other committees of both houses of the Ohio legislature, federal funds available to students were never once mentioned when they considered appropriations to higher education, including those for the Ohio Instructional Grants and other student-aid programs. According to my conversations with legislators, federal student aid was also never considered in their private deliberations, with the one exception of capitation grants for medical students, and these in relation not to tuition but rather to the state subsidy provided to the medical schools. Nor were federal programs other than the Guaranteed Student Loans taken into account in several discussions of changes proposed in the Ohio program. The amounts available from federal grants are not mentioned in the written materials that the Board of Regents has submitted to the legislative committees in support of its recommended budgets for higher education. In 1977-79, for example, the Board listed under the subhead "Access" several programs, beginning with OIG, described as follows:

> The Ohio Instructional Grants Program as enacted in 1969 is intended to assist financially needy students and their families meet the financial costs of college. As such it represents a part of a financial aid package consisting of state, federal, and institution programs involving grants, scholarship, loans and work,

The Regents go on to ask for higher maximum grants and funds for more awards, without reference to either tuition levels or funds available from the other programs.[12] None of the two dozen persons with special interest or authority in this area with whom I talked had any idea of what the average BEOG grant to students in Ohio was, or in most cases even what the maximum award and the conditions were. This was especially true of legislators, few of whom seemed to have even heard of Basic Grants.

As indicated in Table 21, all state programs increased along with the federal programs. The guaranteed loans are presumably affected by availability of other federal aid, since the maxima and conditions are determined in Washington. The Ohio Instructional Grants, however, are based in part on tuition in the state, in part on utilization projections made by the Regents' staff, and in greatest part on how much money is available for higher education in the state budget. This was confirmed to me by every one of the legislators I talked to, as well as by public-sector presidents, student-aid officers, and the three chancellors of the Board of Regents.

Aid and Tuition

There is virtual agreement among the persons I consulted that the availability of student aid from other than institutional resources does not affect the level of tuition and fees. In its deliberations, the Leadership of the General Assembly first sets the approximate share of the General Revenue Fund that it will allocate to higher education. Most of this goes to instructional subsidies, which are distributed to the institutions on the basis of the Regents' models and the anticipated enroll-

TABLE 21

STATE AND FEDERAL STUDENT-AID PROGRAMS, OHIO, 1972-73 to 1977-78

	Federal*					State			
	NDSL	EOG/ SEOG	CWS	BEOG	Total	OIG	GSL	WOS	Total
	$ million					$ million			
1972-73	13.8	9.8	11.7	--	35.3	15.6	26.3	.16	43.5
1973-74	13.5	8.7	12.1	1.5	35.9	16.9	23.0	.18	41.7
1974-75	14.2	9.0	11.6	11.5	46.3	18.6	27.9	.19	43.4
1975-76	14.6	10.0	12.5	33.1	70.2	19.9	31.0	.19	52.8
1976-77	14.6	10.0	16.3	51.7	92.6	24.1	34.8	.33	62.2
1977-78	13.9	9.6	15.6	53.1**	92.2**	23.0	50.2	.74	80.6

Sources: Ohio Board of Regents, Ohio Instructional Grants annual reports, and Basic Data Series: Ohio Higher Education (Columbus, August 1977), p. 26; GSL amounts adjusted to those in Ohio Student Loan Commission annual reports for FY 1975 and FY 1976. BEOG figures for 1975-76, 1976-77, and 1977-78 from BEOG office in Washington.

Note:

NDSL = National Direct Student Loan Program
EOG = Educational Opportunity Grants
SEOG = Supplemental Educational Opportunity Grants
CWS = College Work-Study Program
BEOG = Basic Educational Opportunity Grants.

OIG = Ohio Instructional Grants Program
GSL = Guaranteed Student Loan Program
WOS = War Orphans Scholarships

*Excludes Social Security, Veterans Administration, health-manpower, and other categorical programs.
**Estimate.

ments. Various changes in these figures may be proposed by the Office of Budget and Management and the Legislative Budget Office, some or all of which may be adopted; and provision must be made for debt service, medical school development, and teaching hospitals, to name only the largest of a number of special subsidies. Only then are the instructional subsidies determined. They are the basis on which the public institutions decide the tuition and fees they must charge to cover costs. In the two-year schools with a local tax base, these revenues are of course also included in the calculation, and they are the main reason for lower fees on some of these campuses.

Neither federal nor state student aid is a factor in the decision on tuition rates. Nevertheless, the availability of state aid is important because it provides the argument against allegations that tuition is too high for needy students. All concerned -- Governor, legislators, and institutions -- need a plausible response to such complaints from constituents or the community.

In the private sector, the proportion from BEOG and OIG to either most colleges' student-aid budget or to their total institutional budget is too small, according to several presidents and officials, to influence -- let alone determine -- the level of tuition and fees. One president told me that never once in his many years in office had he raised availability of student aid as an issue when discussing tuition with his trustees, nor had any trustee inquired about this. In any case, the college's budget, including tuition and fees, must be set many months before it is known whether the various federal programs would be continued, or the actual funding of federal and state programs. This would suggest that, if student aid is considered at all, it is not a major factor. The proportion of full-time undergraduates at this particular college who

received Ohio Instructional Grants in 1977-78, however, was one of the lowest in the state.

At another college, with an enrollment below 2,000 and a high proportion of its students receiving some form of aid, $200,000 each from OIG and BEOG are part of an annual aid budget of $1.3 million. The state and federal funds enable the school to accept students with a greater financial need than it could from its own resources. Without these funds, the college would have either to stop admitting such students or to increase its tuition and charges to make up the deficiency. Thus, government student aid is seen as helping keep tuition down, rather than driving it up.

The aid-tuition relation is not a simple one. The rate of tuition sets the amount of institutional aid needed for each student. Only if a college had no student-aid funds of its own might it set tuition so as to capture the maximum federal and state grants available -- but even then it would have to be concerned about how the higher tuition affected prospective students not eligible for aid.

According to my interviews with several private-sector spokesmen, student aid does not increase tuition and fees also because high tuition would scare off students who do not take the availability of aid into account, and because an increase in tuition may make the difference between some middle-income students being able to attend or not -- risks only a few are willing to take.

As Table 22 shows, the average tuition and fees in the public sector increased since 1972-73 by about 19%, in the private sector by 35%. The maximum OIG in the two sectors increased by 18% and 25%, respectively; actual awards remained about the same in the public, increased by 15% in the private. Guaranteed loans increased by 46% (probably mainly as a

result of increases in the authorized maximum loans and in total indebtedness). BEOGs increased by about four times on the average because Congress funded the program at a higher level.

Maximum Ohio grants for low-income students kept up with tuition increases in the public but not in the private sector. That average awards rose by a small percentage relative to the increased cost reflects not a lack of state support but a change in the income of families whose children enrolled. For the past several biennia, unspent money has been returned to the state's General Revenue Fund.

I have little confidence in the accuracy of the BEOG figure cited in Table 22. In every source I consulted, the data differed for every year, both for number of recipients and for amount of awards. Though the figures given may not be completely accurate, they may reflect the trend.

Overawarding

Though this term can refer either to awards over need or awards over cost of going to college,[13] the usual meaning in Ohio is the former. No overaward is possible to a student whose aid includes a Guaranteed Student Loan or one of the campus-based programs. Scholarships not based on need may result in overawarding, and this is, I am told, especially true of the Ohio Academic Scholarships, since by law they may not be taken into account when determining the amount of Ohio Instructional Grant to which the student is entitled. Each program in Ohio "runs in total isolation," a very knowledgeable aid officer said.

For example, a student whose total costs will be $2,500 and whose own and family contribution totals $700 could be awarded the following package toward the $1,800 he needs:

$1,500	private scholarship not based on need
1,000	Ohio Academic Scholarship not based on need
300	OIG entitlement
1,200	BEOG entitlement
$4,060	

an overaward of $2,260.

Another student may have costs of $3,000, a family contribution of $1,000, thus a need of $2,000. He might receive:

$ 800	BEOG entitlement
400	OIG entitlement
1,000	Ohio Academic Scholarship
$2,200	

and overaward of $200. "He is overpackaged," as one student-aid expert put it.

TABLE 22

UNDERGRADUATE IN-STATE TUITION AND FEES AND AVERAGE STUDENT AID AWARDS, BY SECTOR, OHIO, 1972-73 TO 1977-78

	1972 $	1972-73 $	1973-74 $	1974-75 $	1975-76 $	1976 $	1976-77 $	1977-78 $	5-year increase %
Median tuition									
Public		745	751	762	783		842	885	19
Ceiling		780	780	780	none		none	none	
Private		2,014	2,117	2,225	2,403		2,579	2,783	35
OIG at									
Public--aver.		315	308	320	316		350	326	4
--max.		510	570	570	600		600	600	18
Private--aver.		765	722	802	799		877	878	15
--max.		1,200	1,320	1,320	1,500		1,500	1,500	25
Average BEOG									
Ohio		--	165	561	698		758	802[a]	400
Public 4-year only		--	NA	NA	797		777	NA	
Campus-based programs, Ohio									
Public[b]	713					894			25
Private[c]	987					1,259			28
Both sectors	838					1,054			26
Average GSL									
Ohio		1,204	1,316	1,493	1,503		1,758	NA	46

NA = Not available.

[a]Estimate
[b]Excluding vocational-technical schools.
[c]Excluding proprietary schools.

Sources: Association of Independent Colleges and Universities of Ohio, Fact File 1977-1978 (Columbus, 1978), p. 20; Ohio Board of Regents, Ohio Instructional Grants: Eighth Annual Report, 1977-1978 Academic Year (Columbus: September, 1978), p. 9. Average BEOG for 1973-74 and 1974-75 calculated from total Ohio allocations shown in annual OIG reports and number of recipients listed in Ohio Student Loan Commission, 1977 Annual Report (Columbus: February, 1978, p. 17), which also gives average GSLs, p. 15; BEOG averages for 1975-76, 1976-77, and 1977-78 are from Allen P. Rogers of the Washington Basic Grants office; average BEOGs at public universities for 1975-76 and 1976-77 are from Janet Hansen of the College Entrance Examination Board. The campus-based programs averages were calculated from data also provided by CEEB.

State Student Incentive Grants

Ohio's base year with respect to this program is 1972, when it awarded $14.6 million in Ohio Instructional Grants. Since then it was due the SSIG "match" for $16 or $17 million, but there were never enough federal funds appropriated, and it received only $2.3 million in 1977-78. If the new base year were 1977 or 1978, Ohio would remain eligible for the $2.3 million, plus whatever percentage will be funded by Congress to match $5 million in 1978 and an additional $5 million in 1979.[14] However, since it was not known early enough what the SSIG payment to Ohio would be, it was never included as anticipated income in any of the Board of Regents' budgets, and the General Assembly each biennium was asked for state funds for the estimated full amount required.

Because a number of schools not presently eligible under the OIG program would have to be included -- according to the Higher Education Amendments of 1976, every hospital program, every Bible college, all vocational and joint vocational high schools -- Ohio may choose not to participate in SSIG in 1979, the first year when this last-minute addition to the Amendments takes effect.

The Ohio Instructional Grants would not be affected, since the SSIG funds received to date were not budgeted. The program, in effect, has had a surplus most years, which was either used otherwise for higher education with the consent of the State Controlling board, or lapsed and appropriated for other programs by the General Assembly.

Ohioans' Opinion on Student Aid

A 1974 survey on higher education commissioned by the Citizens' Task Force on Higher Education reported the following opinions:[15]

Aid should be based on need	56%
Aid should be based on academic ability	32
It is worth going into debt to get a college education	80
Prefer loans to go to college	59
Prefer scholarships	38
Favor requirement that students repay the state for part of the cost of their education	77
Of respondents currently students	80

	at state	at private schools
Tuition at present is too high	46	65
about right	52	33

I have no explanation for the preference these Ohioans expressed for loans and repayment of costs of education, though it seems to correspond to the majority view that tuition at the public institutions, one of the highest in the country, is about right. Though those in public higher education both in the state and nationally deplore the balance between state subsidies and tuition in Ohio, currently approximately 67-33%, the ratio seems to express Ohioans' outlook. A larger portion than elsewhere in the country of the cost of this education is borne by those who receive it than by the taxpayers. These opinions may help explain Ohio's several attempts to convert state expenditures for higher education into loans.

Ohio Plan and Millett Plan

The Ohio Plan was recommended to the legislature by Democratic Governor John J. Gilligan in 1971. It would have required each undergraduate, graduate, or professional student in a public or private[16] institution to repay the full subsidy the state had given his college or university on his behalf. Students in the two-year colleges were to be exempted. Repayment without interest was to begin one year after the student had stopped attending or when his taxable income reached at least $7,500.

Annual payments were to be at 2% of adjusted gross income minus $100, but not less than $40 or more than $2,000. Loans not repaid in 30 years were to be forgiven. Paradoxically, the amount in Ohio Instructional Grants a student had received was to be deducted from the amount he was obligated to repay. Gilligan also proposed that the Guaranteed Student Loan program be considerably expanded by requiring the five state employees pension plans to invest a portion of their funds in student loans.[17]

Neither portion of the proposal was adopted by the legislature, and the tuition-repayment plan was severly criticized by spokesmen for public higher education in Ohio and elsewhere.[18]

The second Gilligan budget proposal, for 1973-75, included a requirement that only graduate professional students repay the state subsidy on an income-contingent basis. It also provided for a complicated plan of income-contingent student-loan assistance through the Ohio Student Loan Commission. Both projects were abandoned even before the appropriations bill was drafted, the first because of a very negative reaction from the public, including a group of law students who threatened to sue under the equal-protection clause of the U.S. Constitution; the second because it depended on availability of a large capital pool, which the state employees pension fund refused to provide (they each have an independent board of trustees, most of whom had been appointed by the previous Governor).

Just a few days before he retired from the Ohio Board of Regents, Chancellor John D. Millett proposed a plan to refinance higher education that would

-- Limit low-cost higher education to the two-year commuter campuses, with tuition reduced from the then maximum of $630 per year to a maximum of $450 per year. This had also been a part of his 1971 Master Plan, but had not been implemented or even seriously considered.

-- Raise tuition for undergraduates on four-year campuses from the $630 per year maximum then in effect to $1,200. Graduate and graduate professional tuition would be increased even more. He saw this as a means of assisting private colleges and universities.

-- Provide income-contingent loans to students to pay for the tuition increase, out of a capital pool raised through sale of bonds underwritten by the state.

-- Provide loans in identical amounts to students in private colleges.

-- Provide Ohio Instructional Grants in equal amounts to students in the public and in the private sectors.

Governor Gilligan and his finance director were said to be enthusiastic about this plan. Chancellor Millett was convinced that, without it, Ohio public higher education would become increasingly underfunded, with state appropriations held constant at best; and that private higher education needed help but could not compete with other demands on the state General Revenue Fund.[19] The private sector did not take a position on the proposal. The public universities' reaction was totally negative. The then president of one of the latter undertook a statewide speaking tour to refute Millett's arguments, and distributed widely a statement of his views.[20]

The Millett proposals were included in neither Gilligan's 1973-75 executive budget nor in the appropriations bill, and none of these features have been proposed again by either Chancellor Norton or Governor Rhodes.[21]

Coming Issues in Ohio

A common form to analyze need for the Ohio Instructional Grants and the federal programs has been requested for some time by the Ohio Association of Student Financial Aid Administrators, which includes officials from public, private, and since recently some proprietary schools. They have

disagreed with the Board of Regents' Student Assistance Office on whether to adapt Ohio's requirements to one of the two national forms or to try to have the Ohio form accepted nationally, with the institutions arguing for the first and the Regents for the second. One of the obstacles to a resolution is the fee charged by the national processors, while Ohio does not charge students: the cost of processing the applications comes out of the Regents' budget, and not as a line item.

Various advisory committees to the Regents have proposed that Ohio Instructional Grants be extended to:

> students in associate degree programs at proprietary schools.
>
> part-time students,
>
> graduate and professional students.

It is unlikely that the General Assembly will agree to these increases in the coming biennium, even if they are recommended in the Regents' budget.

Miscellaneous Questions

Veterans program: High-tuition states may be at a disadvantage. Since more of the award from the Veterans Administration must go to the institution for tuition than to the student for living expenses, more students may choose other states than Ohio.

State-federal coordination: In the past, applications for funds under the three college-based programs had to include estimated need based in part on how much Ohio would contribute. Under the new formula based on utilization, this will no longer be required. With respect to individuals, Ohio does not require students to apply for a BEOG before he may apply for an OIG.

Independent students: The Ohio Instructional Grants program defines an independent student as one who did not reside with parents or receive

financial support from them for 12 months prior to the beginning of the academic year; who was not claimed for tax exemption by the parents during the prior year and would not be so claimed during the current and next year; and who can demonstrate means of self-support.[22]

Retention: Whether students' financial aid promotes retention is a question to which experts in Ohio have given me no answer. It is possible to see what percentage of state grant and state loan recipients each year are in each class (Table 23), but even if these figures indicated a clear trend -- which in general they do not -- it would still not be known whether the grant or loan had been a contributing factor.

TABLE 23

RECIPIENTS OF OHIO INSTRUCTIONAL GRANTS AND GUARANTEED STUDENT LOANS, BY CLASS LEVEL AND INSTITUTION, OHIO, 1972-73 TO 1977-78

	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78
			Percent			
OIG						
Four-year schools						
Public						
Freshmen	42.3	39.7	44.8	48.2	47.4	48.1
Sophomores	25.9	27.1	23.6	23.1	23.5	24.0
Juniors	18.9	19.6	18.2	16.4	16.8	15.8
Seniors	12.9	13.6	13.4	12.3	12.3	12.1
	100.0	100.0	100.0	100.0	100.0	100.0
Private						
Freshmen	34.1	35.7	35.9	37.8	38.2	39.8
Sophomores	26.8	26.6	25.6	24.2	23.8	23.4
Juniors	21.2	20.1	21.2	20.5	20.0	19.5
Seniors	17.9	17.6	17.3	17.5	18.0	17.3
	100.0	100.0	100.0	100.0	100.0	100.0
Two-year schools						
Public						
Freshmen	71.7	59.8	65.3	73.1	71.1	76.9
Sophomores	28.3	40.2	34.7	26.9	28.9	23.1
	100.0	100.0	100.0	100.0	100.0	100.0
OSLC, all schols including proprietaries and out-of-state						
Freshmen	30.0	30.2	29.5	30.0	33.3	
Sophomores	21.0	19.3	18.8	19.3	18.6	
Juniors	18.0	17.2	16.8	16.1	16.1	
Seniors	17.0	14.8	15.4	14.7	12.9	
Graduates	14.0	18.5	19.5	19.9	19.1	
	100.0	100.0	100.0	100.0	100.0	

Sources: Calculated from Ohio Board of Regents, Ohio Instructional Grants, Eighth Annual Report, 1977-1978 Academic Year (Columbus, September 1978), p. 31; Ohio Student Loan Commission, annual reports.

VII. THE PRIVATE SECTOR AND THE STATE

The Ohio Board of Regents, the present governor and his Democratic predecessor, and members of the General Assembly have frequently said that the state has a responsibility toward the private colleges and universities, which represent a most valued resource. The statutory charge to the Board of Regents requires it to take the private institutions into account when formulating the periodic master plans for higher education, and the first charge to the Citizens Task Force on Higher Education was to examine relations between the public and the private sectors, as well as the role of the Board with respect to each.[1] Chancellor Norton met regularly with an advisory committee of private-college presidents. The private institutions and the staff of their association were consulted while the 1976 Master Plan was being drafted.

In an opinion survey commissioned by the Citizens' Task Force on Higher Education in 1974, 53% of the respondents favored state aid to private institutions. The question did not specify what type of aid. Among professionals, college graduates, and persons with incomes of $25,000 or more, the percentages were 61, 61, and 63.[2]

The means chosen or proposed to discharge this responsibility and some of the problems associated with them, are described below.

Student Aid

In Ohio as everywhere else in the country, the private colleges and universities are much more dependent on tuition for their educational and general expenditures than are the public institutions. As Table 24 shows,

in 1975-76 tuition and fees made up 57% of education and general expenses in Ohio's private institutions and 27% in the public ones, as compared to 50% and 16%, respectively, for the United States as a whole.[3] Government support was lower than nationally in both sectors; gifts, grants, and miscellaneous income were higher in the public and lower in the private institutions than in the country as a whole.

Looked at another way (Table 25), total education and general revenues per student in Ohio were just about at the national level in the public sector, though individual components differed markedly from the U.S. average. Ohio's private sector, however, though its revenues per student are nearly $1,000 more than in the public schools, is behind the national average both in the total and in every component except tuition.

There has been discussion in the state about the gap between tuition in the public and private institutions of higher education. For the members of the Association of Independent Colleges and Universities of Ohio, it is reported to have increased from $500 in 1966 to over $1,800 in 1978.[4] Though tuition in the Ohio public sector is 1.7 times the national average (or was in 1976, Table 25), tuition in Ohio's private colleges is about at the national average; therefore the gap in Ohio is presumably smaller than in most of the United States.

Students at private colleges, as indicated earlier, participate in all state student-assistance programs, and those in some of them are entitled to more money.

TABLE 24

PERCENTAGE OF EDUCATION AND GENERAL REVENUES PER STUDENT, BY SOURCE AND SECTOR, OHIO AND U.S., 1975-76

	Public		Private	
	Ohio	U.S.	Ohio	U.S.
State and local government	49	60	2	2
Government contracts	12	15	15	20
Total government	61	75	17	22
Gifts, grants, and misc.	12	9	26	28
Tuition and fees	27	16	57	50
	100	100	100	100

Source: Communication from Marilyn McCoy, National Center for Higher Education Management Systems at Western Interstate Commission for Higher Education, September 1978.

TABLE 25

EDUCATION AND GENERAL REVENUES PER STUDENT, BY SOURCE AND SECTOR, OHIO AND U.S., 1975-76

	Public		Private	
	$	(US=100)	$	(US=100)
State and local appropriations	1,165	81	66	73
Tuition	928	169	2,379	98
Government contracts	411	79	618	62
Gifts and grants	170	151	846	86
Other	229	107	254	66
Totals	3,404	99	4,163	85

Source: Communication from Marilyn McCoy, National Center for Higher Education Management Systems at Western Interstate Commission for Higher Education, September 1978.

	Higher awards to students in private schools	
	Yes	No
Ohio Instructional Grants	X	
Ohio Academic Scholarships		X
War Orphans Scholarships (includes two types of awards)	X	
National Guard Scholarships		X
Guaranteed Student Loans	Not tied to where student enrolled	

As Table 26 indicates, in 1977-78 most guaranteed loans and over three-quarters of instructional grants went to students in the public institutions. However, the dollar amounts of both loans[5] and grants were higher for students in the private sector. From a comparison of enrollments and OIG awards (Tables 4 and 19), we find that since the year when the aid program was fully established, the following changes occurred.

	1971-72	1977-78
	percent	
Public sector		
Enrollments	75.9	78.0
No. of OIG awards	67.4	78.8
Dollars awarded	47.0	57.4
Private sector		
Enrollments	24.1	22.0
No. of OIG awards	32.6	21.2
Dollars awarded	53.0	42.6

All three percentages increased in the public sector. The percentage of dollars awarded to the private sector is still nearly double the percent of private enrollments, but the ratio has fallen. It may be that the decline in OIG awards and dollars in the private sector is related to the increase in tuition and fees and to the decrease in low-income students during these years. Parents may consider total cost, rather than the net cost after aid, in choosing a college for their children.

TABLE 26

RECIPIENTS OF STUDENT AID FROM MAJOR STATE PROGRAMS, BY SECTOR, OHIO, 1976-77

	School Location	Public	Private Non-profit	Proprietary	Total
		Percent			
Guaranteed Student Loans	Ohio	49.93	22.78	7.48	80.19
	Out of state	6.10	11.07	2.64	19.81
Total		56.03	33.85	10.12	100.00
Ohio Instructional Grants	Ohio	78.00	22.00	--	100.00

Note: Public = universities, two-year campuses; postsecondary vocational schools for GSL only.
Private = private colleges, universities, and diploma nursing schools; hospitals for GSL only.
Proprietary = for-profit schools, including some nursing schools.

Sources: Ohio Student Loan Commission, 1977 Annual Report (Columbus, February 1978) p. 14; Ohio Board of Regents, Ohio Instructional Grants: Seventh Annual Report, 1976-1977 Academic Year (Columbus, December 1977), pp. 1-2.

In general Ohio provides more awards and more dollars to the public and less to the private sector than does the rest of the country, no doubt because of the much higher tuition and fees in Ohio's public institutions (table 27).

As states instituted their scholarship programs, typically limited to in-state students, private colleges in Ohio, which until recently had as many as 80% of their enrollment from other states, suffered a loss, which was reduced somewhat by the similar restriction of Ohio's grants to in-state use. According to a recent study, the Ohio Instructional Grants were the largest single source of student-assistance funds for these institutions in 1976.[7] Table 28 shows what percentage of full-time undergraduates at public and private institutions received OIGs in 1977-78. Though the total for all public schools is 21.7% and for all private schools 19.6%, for individual campuses the OIGs appear to be more important in the private than in the public sectors. As Table 29 shows, since the inception of the program, in all years but the latest more private than public schools had 30% or more students with OIGs. The relationship is reversed in the present year as a result of increases especially among technical college students. Nevertheless, in this same year four private colleges had two-thirds or more full-time undergraduates with OIGs, whereas no public campus had more than about half.[8]

Not surprisingly, improvements in the Ohio Instructional Grants Program remain high on the list of goals for the Association of Independent Colleges and Universities of Ohio. It has proposed, and will propose again in the next budget session, that maximum grants for students in the private sector be raised from $1,500 to $2,010, with the maximum public sector grant at $810, up from $600. Among the Association's other demands, the maximum family gross income eligible for a maximum

TABLE 27

NEED-BASED STATE FINANCIAL AID AWARDED FOR UNDERGRADUATE STUDENTS IN THE PUBLIC AND PRIVATE SECTORS, OHIO AND U.S., 1974-75 TO 1977-78

	1974-75	1975-76	1976-77	1977-78
Average award amount				
U.S.	$542	$566	$590	$627*
Ohio	432	422	458	437
Ratio of $ to 1970 population				
U.S.	2.30	2.58	3.19	3.66*
Ohio	1.78	1.87	2.35	2.74*
rank order		16	15	15*
Percentage of awards at public institutions				
U.S.	NA	59.6	62.0	61.8*
Ohio	74.3	77.2	78.0	78.8
Percentage $ to students at public institutions				
U.S.	NA	44.6	46.2	45.3*
Ohio	53.1	56.8	57.9	57.4
Mean $ award at public				
U.S.	NA	$431	$440	$460*
Ohio	312	310	340	318
Mean $ award at private				
U.S.	NA	$789	$833	$896*
Ohio	802	799	877	878

Sources: National data from National Association of State Scholarship and Grant Programs, Annual Surveys (Deerfield, Illinois: Illinois State Scholarship Commission)--1975-76, pp. 6-7, 11; 1976-77, pp. 7-8, 20; 1977-78, pp. 7-12. Ohio data from Ohio Board of Regents, Ohio Instructional Grants: Eighth Annual Report, 1977-1978 Academic Year (Columbus, September 1978), p. 9.

*Estimated.

NA - Not available.

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TABLE 28

OHIO INSTRUCTIONAL GRANT RECIPIENTS
AS PERCENTAGE OF FULL-TIME UNDERGRADUATES,
1977-78

		High	Low	Total	Total all institutions
Public universities					
excl. Central State	(11)	25.0	9.1	19.5	
Central State	(1)			41.6	
Total	(12)				19.7
Public colleges					
Community	(10)	53.0	13.1	32.0	
Technical	(16)	40.9	11.4	31.5	
Total	(26)				31.5
All public	(38)	49.3	10.7		21.7
Private colleges and universities	(50)	84.0	3.0		19.6
All institutions	(88)				20.8

Note: Numbers in parenthesis are the total number of institutions in that category. This report lists each university and its branches as one, and Cuyahoga Community College as three, one for each campus. These figures are therefore not comparable to those from other Ohio Board of Regents reports.

Source: Ohio Board of Regents, Ohio Instructional Grants: Eighth Annual Report, 1977-1978 Academic Year (Columbus, September 1978), pp. 34-35.

TABLE 29

INSTITUTIONS WHERE OHIO INSTRUCTIONAL GRANT RECIPIENTS CONSTITUTE 30 PERCENT OR MORE OF FULL-TIME UNDERGRADUATES, BY SECTOR 1970-71 TO 1977-78

	Private		Public[1]	
	No. with 30% or more OIGs	Total no. instns.	No. with 30% or more OIGs	Total no. instns.
1970-71	0	49	0	27
1971-72	7	49	0	33
1972-73	7	51	4	34
1973-74	15	52	6	35
1974-75	14	51	6	37
1975-76	15	49	4	38
1976-77	14	50	8	38
1977-78	12	50	14	38

[1]Each university and its branches is listed as a single institution, but Cuyahoga Community College as three, one for each of its campuses. These figures are therefore not comparable to those from other Ohio Board of Regents reports.

Source: Ohio Board of Regents, Ohio Instructional Grants annual reports.

grant should be raised from $5,000 to $6,000, and maximum family income eligible for any grant raised from $17,000 to $20,000; the number of children should be raised from five to ten in considering family size as a factor in the amount of the grant.

The same recommendations were made by an Advisory Committee on Student Financial Aid appointed by the Chancellor in 1974. The recommended new maximum award for students in private institutions would be "equal to the maximum grant in public institutions plus the average undergraduate subsidy in public institutions," and the estimated cost if the change was implemented in 1975-77 would have been $21 million per year. [9] The Association now estimates the additional annual cost of its proposed OIG program at about $17.5 million over the appropriation for 1978-79, or a total of $49 million.[10]

Student-aid funds in Ohio are appropriated to the Board of Regents for distribution and considered part of the total to higher education, Since some regard what the state is willing to allocate to higher education as relatively limited and with possibly some future decrease in favor of primary and secondary education, a sizable increase in instructional grants to the private sector would be strenuously opposed by the public institutions. In this respect Ohio does not seem to be very different from the rest of the country. Lyman Glenny wrote in 1973:

> The event which forces less funding growth for higher education is the establishment of a new set of social priorities in which higher education drops from the top of the "top ten" to a much lower position. Health care, the common schools, and the environment and recreation, among others, are surfacing as high-priority concerns in the legislatures of nearly every state. The states are also beginning to aid directly or indirectly the private colleges. However, state scholarship, grant, and loan programs, as well as direct grants to private institutions, will all be funded from that same single total amount for higher education in the state budget.

> Our evidence indicates that the proportion of the state budget for higher education -- no matter who or what is included -- remains about the same.[11]

Following Grants

As the Citizens Task Force unanimously recommended in 1974, private institutions where recipients of Ohio Instructional Grants are enrolled would receive "following grants" of $400 for each student from a family with income below $8,000, and of $200 if above. The public-sector presidents on the Task Force agreed less than wholeheartedly, accepting as a quid pro quo the private-college presidents' approval, which may well have been equally tepid, of low tuition in the public sector. When in their 1975-77 budget proposal, however, the Regents included following grants at much higher amounts -- $750 for each state grant recipient with family income below $9,000, with a cost of $7.5. million for the biennium -- whatever tenuous agreement there had been from the public institutions evaporated. The Regents' proposal was included in neither the executive nor the legislature's budget. For the 1977-79 biennium, the Board requested $200 per OIG recipient with a family income of $10,000 or less, with a cost of $3.1 million for the two years, but this also was not adopted.

The current statement of goals of the Association of Independent Colleges and Universities of Ohio still includes following grants, but they are now defined as

> a form of tuition equalization, to go with all Ohio students to the Ohio private institutions they choose to attend.[12]

At current enrollments and $900 per student, or the Association's estimate of half the average state subsidy per FTE student in the public sector, the fully implemented program would cost $33 million per year. In an attempt to circumvent the church-state issue, and also to

avoid probable state controls accompanying the state grants, the Association proposes that these grants be given to the institutions through a contract with the Board of Regents rather than as direct subsidies. It is unlikely that such a program will be enacted in Ohio. In its recommendation of following grants, the Board of Regents compared them to the separate line-item subsidy made to the Board and distributed among the public institutions for remdial education and counseling (what it calls "developmental education," to the often stated irritation of some legislators). In its policy on private colleges that the Regents adopted in November 1975, it was stated:

> The Board of Regents does not believe that generalized grants should be available to private colleges. Problems of accountability for public funds and constitutional prohibitions against assistance for purposes related to religion give such proposals dubious value.[13]

Accountability has long been an issue, countered by the Association of Independent Colleges and Universities of Ohio in a paper entitled "Public Investment in Private Colleges and Universities" dated March 1978:

> A word about accountability. Private institutions are required by their own systems to account fully and publicly for their operations. Their trustees, overseers, alumni, visiting committees, and contributing friends are all active elements in a wide process of accountability. Those private institutions willing to accept funds from the state must be equally willing to account for them, but not to the extant of jeopardizing their independence. If their freedom is thus compromised, the investment of public funds will be self-defeating.[14]

Public-sector officials have a different interpretation of accountability. The Board of Regents compiles a wide variety of data from all state-assisted colleges and universities in its Basic Data Series; no comparable information is available for the private schools. When confronted with reports on the precarious financial position of private institutions and the consequent request for state assistance, spokesmen for the public sector are likely to demand the elimination of such luxuries as low

faculty-student ratios, low teaching loads, and high salaries in the private schools. As indicated in Table 30, there is a significant gap between the expenditures of private and public institutions.[15] There has been talk, as in the Regents' 1975 policy statement,[16] of including the private schools in the Regents' Uniform Information System, but since no benefits are tied to participation and no sanctions to non-participation, to date the proposal has not been adopted.

Among the persons I have talked to, no legislator of either party and no member of the present administration has indicated that he would favor institutional support, by whatever name, for the private colleges. All believe that the Ohio Instructional Grants significantly help those schools as well as enabling students of modest means to enroll there, and that this form of tuition equalization is sufficient; they may agree to an increase in the maximum grants in both sectors, particularly if it is accompanied by an increase in the family income that determines eligibility for assistance.

Reciprocity

Portability of student financial aid has been a goal of the Association of Independent Colleges and Universities of Ohio for some years. It was not, however, a goal of all private college presidents in Ohio, according to a recent study. Colleges that still attract large proportions of their student bodies from other states are for portability, those that are essentially Ohio colleges fear a loss of students through out-migration.[17]

Contracts

The 1973-75 appropriations act provided $1 million to the Board of Regents to pay private institutions for "courses of study, including graduate programs, not otherwise available to students at state-assisted

TABLE 30

TOTAL EXPENDITURES PER FTE STUDENT
FOR INSTRUCTION AND SUPPORT ACTIVITIES, BY SECTOR, OHIO,
1974-75

No.		Public	Private
25	two-year colleges	$1,615	--
12	universities	2,323	
19	"less selective" liberal arts colleges		$2,465
9	comprehensive colleges and universities		2,606
7	"highly selective" liberal arts colleges		3,395

Source: Uniform Information Resource Analysis, Ohio Board of Regents, and Aggregate Financial Statistics, July 1976, Association of Independent Colleges and Universities of Ohio, cited in Ohio Board of Regents, "Appropriations for Current Operations, State-Assisted Higher Education, 1977-1979," Columbus, [May, 1977,] p. 15

institutions." Asked to recommend guidelines for implementing this program, the Citizens Task Force on Higher Education suggested the criteria for awards be the extent to which a proposed contract

-- promotes cooperation,

-- meets an unmet state need,

-- promotes coordination through the Board of Regents, and

-- is unique.

In implementing the program, the Board stated that it would regard the primary intent of the appropriation, "to provide new resources to private institutions," with service to the public sector relevant only if it involves a contract with a private school.[18] Of the 22 programs financed with the $1 million, 11 went to the already existent Dayton-Miami Valley Consortium of four public, seven private, and one federal institutions. The largest single grant by far, however, was a "special subsidy" of $200,000 to Rio Grande Community College and Rio Grande College -- respectively, a state-assisted and a private institution -- which for some five years have shared a campus, with the community college contracting for liberal-arts instruction for its students from the private college.

These contracts for services cannot be called a successful experiment; the Regents did not request their continuation, nor was support proposed in the next executive or legislative budget. Nevertheless, according to the ERIC Clearinghouse on Higher Education in its Research Currents (undated, but from the references cited apparently published in 1975), "Ohio provides an excellent example of a state contracting with private institutions to provide specific services, that is, programs that would be too high in cost for the state to develop."[19] I do not believe that a single one of the contracts accomplished such a purpose.

Some other contracts in effect in the state have succeeded, or may have the potential to do so.

Medical and dental subsidies paid under contract to Case Western Reserve University no doubt have cost the state less than would establishing a new medical and a new dental school. The first act to appropriate funds to the CWRU medical school, in the 1969-71 biennium stipulated that the state subsidies plus CWRU's tuition and fees could not exceed the total of subsidy, tuition, and fees in the public universities. The next budget bill, which appropriated funds to both the medical and dental schools, omitted this requirement; it was restored in 1973-75 and 1975-77. The 1977-79 act provides that subsidies to the CWRU medical and dental schools may not be at a rate higher than at the public schools; tuition and fees are not mentioned. Meanwhile the University has been under constant pressure to increase the proportion of Ohioans admitted to these schools -- an understandable concern of the legislators, but not of the CWRU administration or faculty.

In 1975 the University also received $750,000 for capital improvements for its family-practice program, for which, along with all other medical schools in the state, CWRU has received a separate lump-sum subsidy. In that same biennium, CWRU also contracted with the Board to carry out the "Fifth Pathway program" mandated by the General Assembly to provide clinical training for Ohio graduates of foreign medical schools.

Liberal arts instruction will be provided on contract, if negotiations are completed, by Wilmington College for Southern State Community College students and Defiance College for Northwest Technical College students, following the pattern established by the two Rio Grande Colleges mentioned earlier.

Capital Plant

In 1968 the legislature created the Ohio Higher Educational Facility Commission (ORC 3377), with eight members appointed by the Governor with the consent of the Senate and the ninth member the Chancellor of the Board of Regents. By issuing state revenue bonds, the commission can finance private college construction at a low interest. Revenue for principal and interest is provided from a "rental" paid by the institutions for use of the facilities. To date, the Commission has financed 14 projects for a total of $30 million. According to the president of the Association of Independent Colleges and Universities of Ohio, there has not been much use of this program in recent years.

In the 1972-73 budget, Chancellor Millett's last, the Board of Regents proposed a $7 million appropriation for "private college debt service," in exchange for which the schools would accept more students and thus relieve pressure on the public institutions. This subsidy was not adopted, nor has a similar one been recommended since then.

Other Programs

The Board of Regents is required by law to consider "the role of individual public and private institutions within the state" in fulfilling the needs for higher education of the people and the state (ORC 3333.04). Each Master Plan has discussed the private sector. The 1966 Plan recommended that the state "seek positively to assist these institutions to maintain and even expand their activities," and proposed a tuition equalization program, which some years later became the Ohio Instructional Grants program, and assistance to construction, which was given through the Ohio Higher Educational Facility Commission.[20]

The 1971 Master Plan suggested that the Regents contract with private institutions to provide upper-division courses to students with associate degrees from the public two-year colleges.[21] This proposal, which surfaced again in subsequent years, was not implemented because of the opposition from both private and public college and university presidents.

Another suggestion in that second Master Plan was for "direct financial assistance" to the private colleges through a contract between the Board of Regents and the Ohio College Library Center to provide annually on permanent loan to each accredited private college books in the value of $50 per FTE student. The cost was estimated by the Chancellor at $3.75 million per year, to increase gradually to perhaps $7.5 million per year as enrollments in the private sector grew.[22] This program also was not adopted. In 1971-72, however, the state made a one-time grant of $580,000 to the Ohio College Library Center with which to develop a mechanized library-referral service for the state's private and public colleges and universities.

Program Review

In its rules concerning program development and approval, the Board of Regents has kept in mind that nearby public institutions that offer similar programs at lower cost seriously threaten private colleges. Rule 4 defining associate degree programs and Rule 6 on new doctoral programs, for example, specify that when a public college or university applies for approval of a new degree, it must report on similar associate degree programs within 30 miles or doctoral programs in the entire state. Spokesmen for the private sector, as well as some legislators, believe that the Board has not been rigorous enough in avoiding such competition for the private schools,[23] or even among the public and among the private schools. Public-sector officials are unhappy at what they see as a one-

sided position by the Regents, who must approve any degree program offered by a public institution for it to earn state subsidies, but lack this power over private institutions, which can -- and sometimes do -- establish competitive programs. An especially sore point is the revised procedure for approving doctoral programs. Previously an advisory committee of all the public graduate deans recommended approval or disapproval of new programs. Because he believed that the committee had been too lenient and guilty of log-rolling, Chancellor Norton added the graduate deans of the two private universities that have doctoral programs, Case Western Reserve and Dayton, as well as stating his intention of consulting out-of-state experts as needed.

IX. THE PUBLIC SECTOR AND THE STATE

That the funding of Ohio's higher education has been relatively stable, while the Regents' stock has fluctuated may be due to the ties between legislators and officials of the institutions, as suggested by the vastly increased lobbying in Columbus in recent years. The situation is deplored by members of the Board, the Chancellor, and his staff, and by many but not all legislators. When the Board of Regents was established, one of its purposes was to deal with the General Assembly and the executive departments on matters of higher education, thus presumably eliminating lobbying by the individual schools. Chancellor Millett is said to have enforced his exclusive role in the statehouse, reportedly with the assistance of Governor Rhodes, who is said to have "let it be known that state university presidents were welcome in the State House only when specifically invited."[1] Obviously some discrete lobbying continued in spite of these interdictions.[2]

Whenever the General Assembly introduced legislation for programs or appropriations not recommended by the Board of Regents, typically to the advantage of one or another institution or group of institutions, it thus encouraged lobbying. Several of the legislators I talked to, while condemning "end-runs" on the Board, also said that it was important for them to hear from the colleges and universities.

The Legislative Budget Office, created in 1971, has established direct relations with the campuses that supplement those with the Regents' staff. The executive branch has also often bypassed the Board in recent years. When the institutions were granted fiscal autonomy in 1965, the then director of finance, Howard L. Collier wrote to Chancellor Millett: "My department will withdraw from all direct relations with higher education unless requested or of necessity."[3] This meant the Governor and executive

departments had to rely entirely on the Regents, and it remained so as long as the chancellor was the Governor's close associate and the Board was made up of his appointees. When Democrat John Gilligan became Governor, his first budget for higher education still relied heavily on Millett, for there was neither time nor precedent for developing a policy independent of that of the Board. During the third year of the new administration, when the Department of Finance was renamed the Office of Budget and Management, this reflected its greater emphasis on policy and a less detailed fiscal control of the agencies. In 1973, an Office of Policy Research at $100,000 per year was added, but it did not outlive the Gilligan administration. In preparation for the second Gilligan budget, the director of the Office of Budget and Management visited a number of campuses, met with public and private presidents at his initiative, and instructed his analyst for higher education to establish relations with presidents and administrators of both public and private institutions, as well as working closely with the Regents staff. The new role of the Office of Budget and Management in higher education continued even after the hiring of a Chancellor acceptable to Governor Gilligan, and of course also after the shift back to a Republican Governor, who, it is said, never once spoke with Chancellor Norton during his entire five-year tenure.

In his 1973-75 budget Governor Gilligan also provided funds for an independent task force that would review higher education and make recommendations on relations between the public and private and between the four-year and two-year sectors, on how to relate enrollments in post-secondary education to manpower needs, and on the appropriate role of the Board of Regents. This had been intended as an independent ad hoc

body, part of the new Governor's attempt to develop his own policy, and one of its assignments was to have been an evaluation of the Board of Regents. When Chancellor Norton was appointed, however, he was able to persuade the Governor to turn the Task Force over to him, and it therefore became an instrument of the Board -- the Citizens Task Force on Higher Education, some of whose recommendations have been referred to earlier.

As elsewhere in the country so also in Ohio, the staff and budgets of the legislative and executive branches have grown enormously in recent years (Table 31), and thus implicitly also their independence from other state departments and agencies. The Legislative Budget Office went from one to more than 15 professional staff members; the Office of Budget and Management more than doubled its staff (which even so remains smaller than that of the Ohio Board of Regents); the Auditor of State has over 1,000 employees; the staff of the General Assembly went to nearly two per legislator.

The Ohio Board of Regents

The operating expenses of the Board of Regents since 1963-64, when it was established, are shown in Table 32. A major increase in funding and staff for the Board came with the 1973-74 budget and the beginning of Chancellor Norton's tenure. With Governor Rhodes' election, the state appropriation for the Board's operations actually decreased (1975-77), but increased federal funds helped maintain the level of expenditures. The second Rhodes budget, for 1977-79 -- for about the same amounts as for 1975-77, or $2.5 million -- provided according to a Regents' analysis "no support of any amount for professional salary increases and . . . for consulting studies."[4] At the request of then Chairman of the Board Marvin Warner, the House restored the increase proposed by the Regents, and added $500,000 for studies of the institutions' management, for a total

TABLE 31

SELECTED STATE AGENCY STAFFS AND BUDGETS, OHIO
1971-72 TO 1978-79

	STAFF (including clerical)			AVERAGE COST/FTE (including clerical)			TOTAL BUDGET (all funds)		
	1971-72	1978-79	Percent Increase	1971-72 ($)	1978-79 ($)	Percent Increase	1971-72 ($000)	1978-79[a] ($000)	Percent Increase
LEGISLATIVE BRANCH									
Legislative Budget Office	1	23	2,300	13,750	17,000	24	24	460	1,816
Legislative Service Commission, excluding LBO	66	93	41				907	1,938	114
including LBO				9,400	18,980	102			
General Assembly, excluding legislators, estim.	167	248	49	6,930	18,540	167	2,556	8,006	213
EXECUTIVE BRANCH									
Office of Budget and Management[b]	22	53	141	11,250	18,030	60	346[c]	2,442	600
State Auditor	559	1,020	83	Not	available		13,835	18,901[d]	37
OTHER									
Ohio Board of Regents	30	58	195	13,580	20,860	54	706	2,230[e]	215[e]

Sources: Am. Sub. H.B. 191, 112th General Assembly
Executive Budget, 1977-79
Executive Budget, 1975-77
Legislative Budget Office, Facts About Ohio State Finances (Columbus, October 1977)
Ohio Board of Regents annual reports and communications from its staff.

[a] Appropriated.
[b] Including State Clearinghouse.
[c] Excluding Sundry Claims funds.
[d] Property tax allocation excluded; approximately $25 million for the biennium transferred to other agencies.
[e] Estimate.

biennial state appropriation of $3.5 million. The Senate and Governor went along. Partly with the added federal funds, the Chancellor could hire ten additional staff members.

The Governor, members of the legislature, and university officials have often commented unfavorably on the size of the Regents' staff, which they see as an index of the Board's tendency to interfere in the institutions' internal operations. However, many of the functions for which staff members were hired were assigned to the Board in one of the budget bills or in separate legislation, or by the Governor when he allocated to the Regents responsibility for various state plans required by federal programs.

> During the past five years two governors and three general assemblies have added to the responsibilities of the Board of Regents. Governor Gilligan and Governor Rhodes designated the Board as the Post-secondary Education Planning Commission under Section 1202 of the 1972 amendments to the Higher Education Act. Governor Gilligan assigned tornado recovery responsibilities to the Board. This year, Governor Rhodes gave the Board the responsibility for planning Education Information Centers. The General Assembly has expanded oversight responsibilities of many types. Some related to ad hoc situations such as Ohio University dormitories; some have taken us into administrative activities such as accrediting paramedic programs and licensing emergency medical technicicans; this year the mandate was to designate projects for minority contractors and encourage their participation, to initiate a new series of management studies, and to create and staff the Inter-University Energy Research Council. Each year the author of some legislation proposes to limit the activities of the Board, but more persons seek, to expand its authority and resposibility.

In any case, as university and college officials are fond of saying, each new Regents' staff member requires each institution also to hire one person to respond to the new demands for data or actions.

Indeed, with the advent of Chancellor Norton the Board of Regents became increasingly active in a number of program areas, especially under the chairmanship of Marvin Warner; for example, the creation of an

TABLE 32

OHIO BOARD OF REGENTS OPERATING EXPENSES[a] AND STAFF, 1963-1977

	General Revenue Fund[b]	Bonds[c]	Federal	Private Grants	Total	Staff Prof.	Staff Cler.	Staff Total
1963-64	$115,000				$115,000	4	2	6
1964-65	154,500	$205,500	$ 59,140		419,140	6	4	10
1965-66	153,570	6,300	54,610		214,480	6	5	11
1966-67	186,957	6,780	77,421		271,158	5	9	14
1967-68	258,154		134,782		392,936	6	7	13
1968-69	330,890		164,243		495,133	6	8	14
1969-70	344,917		170,876		515,793	8	9	17
1970-71	335,365		128,040		463,405	7	8	15
1971-72	555,359		150,587		705,946	15	15	30
1972-73	671,897		147,247		819,144	16	18	34
1973-74[d]	1,214,377		138,179	$16,013	1,368,569	23	31	54
1974-75	1,387,578		203,177	4,282	1,595,037	26	30	56
1975-76	1,301,512		205,213	8,057	1,514,782	25	27	52
1976-77	1,195,209		230,186	32,449	1,457,844	24	24	48
1977-78	1,741,156[e]		210,355[f]	17,500[f]	1,969,011[f]	27	28	55
1978-79	1,835,489[e]		379,445[f]	15,000[f]	2,229,934[f]			58[f]

[a] Includes salaries and benefits, consultants, maintenance, equipment, date processing.
[b] Expenditures from appropriations as adjusted by Executive Orders and Controlling Board actions.
[c] Payments to consultants and for printing.
[d] As adjusted in Annual Report, FY 1975.
[e] Appropriations rather than expenditures, H.B. 191 of the 112th General Assembly.
[f] Estimate.

Sources: Ohio Board of Regents annual reports and communications from its staff.

Inter-University Energy Research Council and the relentless prodding of the institutions, public and private, to participate and cooperate; development and submission of a grant proposal for Area Health Education Centers, a type of activity that heretofore would have been carried out by the institutions at their own discretion; work with the deans of the business colleges toward formation of an "Ohio Conference Board"; conduct of seminars in locations throughout the state, with support from a private foundation, in order to improve public relations for higher education; conduct of a federally funded program for prison inmates, with the cooperation of three colleges; hiring of a staff to stimulate the institutions to increase their continuing education; conduct of an instructional development program for faculties, with some financial support from a private foundation.[6]

These programs hardly constitute recommendations that one or more of the institutions carry them out. Nor are they coordination or planning, in the strict meaning of those words, but rather actual operation of programs the Board considers important.

Coordination and Planning Issues

At the same time, the coordination and planning function is becoming increasingly important as enrollments stabilize or decrease.

-- One of the most divisive issues -- among the institutions, between the Board of Regents and the college or university presidents, and between members of the legislature and the Governor -- is capital improvements. In principle, all those who participate in deciding on new construction agree that the period of expansion is over, but each has an exception to this limitation. The fight over the capital appropriations budget for 1979-81 has already begun.

-- If every college and university substantially increases its continuing education, important parts of which are off campus, how will jurisdiction be determined? The Board has assigned to the two-year colleges the dominant role in providing off-campus lower-division liberal arts as well as technical programs. The universities, however, also provide all but the technical courses. Private colleges, hitherto not very active in extension, are beginning to offer programs not bound by any Regents' rules. The controversy thus will be between public and private, between two-year and four-year, and among public universities.

-- State funding of continuing education will also be the subject of controversy. Chancellor Norton initiated a strong promotion of what the staff calls lifelong learning,[7] a term that evoked derision or amusement among legislators I talked to, as also in committee hearings. The Board members appear to be divided on whether to recommend a subsidy, which the staff and the institutions favor. None of the legislators or state officials I talked to seemed inclined even to consider this extension of state support; adults, they argued, should pay for their own retraining or part-time studies. One legislator suspected that some institutions were maintaining their enrollment level by "hoking up part-time enrollments."

-- As campuses face decreasing enrollments, they will try to attract students by publicity and promotion. This is already being done by some, and will no doubt become prevalent. The practice has been criticized at past budget hearings, and all but one of the legislators I interviewed totally condemned it as motivated

by a desire to maintian large faculties and staffs rather than to serve students. Advertising for students will also increase conflicts between the public and the private sectors, especially since the latter is not accountable to the state for its use of resources.

-- Legislators are increasingly concerned over the high drop-out rate of freshmen who, some suspect, were enticed with generous student-aid packages in order to earn state subsidies for the institution, though the students were not qualified to benefit. All Ohio public colleges and universities are required by law to admit any graduate of an Ohio high school, though one or two of the residential universities in effect instituted selective admission through assigning space in the dormitories where freshman are required to live. This concern with retention, coupled with legislators' belief that colleges and universities will do almost anything to keep their subsidy rates up, may result in the imposition of admission standards at least at the four-year schools. Though some would welcome such standards, especially the urban schools would not, for they consider open admission an index of their mission. Another possibility mentioned to me would be to require the state's need-based student aid to take applicants' academic potential into account, as in some other states.

-- As legislators and other officials are well aware, state funds (together with other financial aid) may maintain in existence private colleges of such poor quality that otherwise would have closed. Ohio Instructional Grants are important in the financing of all schools with a small graduate program and for all insti-

tutions with respect to increasing enrollment of black students. The argument has often been made nationally about proprietary schools with a very high percentage of recipients of federal grants and loans. There is presently no way for the state to balance the pros and cons and set a policy on this issue.

-- If certain colleges or universities lose many students while others have waiting lists, as is the case at present, should the state try to even out admissions? As one legislator told me, a private debate on the last budget had almost been resolved in a bipartisan agreement to require the major four-year campuses to institute admission requirements. Since five of the universities have statutory enrollment ceilings, this would in effect, have meant that the less qualified students would have had to go to universities that have experienced enrollment losses; objections from legislators from their areas killed the plan -- at least for the time being.

-- Every legislator I talked to brought up, without my prompting, his concern over duplication of expensive programs, proliferation of new programs, etc. At the same time, none wanted to increase the power of the Board of Regents, which now may recommend discontinuance of a program but may not abolish it. Undoubtedly a major issue in the years ahead, this will require all the creativity of which the Regents' staff is capable to find a solution.

Other Sources of Controls

Among other issues concerning relations between higher education and the state likely to become more important in the coming period, some simply continue the perennial tug-of-war for increased power. An

example is a recurrent attempt by the Auditor of State to gain jurisdiction over the universities' use of moneys raised from private sources, which, he contends, are public funds because they are collected "under color of office." The main issue arises when the universities use such money for purposes not authorized for state funds, such as, among many others, to supplement the presidents' salaries, to furnish meals to faculty or students, to buy out a faculty member's contract. Similarly, the legislature has repeatedly attemped to control state agencies' use of federal funds that allegedly enable or even require the establishment of programs it had not authorized.

A second type of issue results from efforts by legislative and executive agency staffs to effect economies, increase efficiency, or be innovative in order to help the legislative leadership or the administation score points. Both the Office of Budget and Management and the Legislative Budget Office have tried to initiate program evaluation, analysts in both these offices have used different bases to recalculate the Regents' funding models and have given independent estimates of future enrollments and assessments of student aid needed. The Legislative Budget Office is currently studying the universities' practice of carrying fund balances over into the next year or biennium, a right that constitutes an important part of the fiscal autonomy granted the institutions in 1965. As part of this inquiry, an analyst visited each university campus, after having written the president that the following would be examined:

-- annual report to the Auditor of State;

-- average daily balances of Current Unrestricted Education and General and Auxiliary funds;

-- bond covenants for any auxiliary services bonds

-- statement of how any restrictions on use of moneys in any fund or possible fund transfers originated;

-- information on locations, amounts, and purpose of each bank account;

-- schedule for the use of money from student general fees;

-- list of the type and amount of currently held investments and yields for each;

-- statement of current market value of investment holdings;

-- record of interest earning by fund for the past six years;

-- statement of total amount of outstanding debt.[8]

The national meetings of state legislators and other state officials, at which common problems and attempted solutions are discussed, are a third potential source of controversy. The January 1963 Legislative Service Commission report that recommended the establishment of the Ohio Board of Regents, for example, was commissioned by the Speaker of the House on his return from a Council of State Governments meeting, where he had learned that in 1961 the Illinois General Assembly had created a board of higher education as an agency of state government.[9] Several legislators I talked to referred to actions in other states -- for example, a legislative oversight committee in Kansas that found 90% of classroom utilization to be between 10 A.M. and 3 P.M., while the state was building many more classrooms.

Will university autonomy be cut during the hard times to come? None of the legislators I talked to said that they wanted any significant change in the present pattern. As one of them put it, "by luck Ohio has stumbled into the right mix of authority," and should leave well enough alone.

After a catastrophic one-third drop in enrollment, Ohio University was given $3.6 million in the 1975-77 appropriations bill to pay the debt service on university auxiliary facilities. The accompanying language, written by an analyst in the Legislative Budget Office, required that:

> Funds for debt service payments shall not be released unless Ohio University can demonstrate to the satisfaction of the Board of Regents that revenue bond facilities are being operated as efficiently and economically as possible, that efforts are being made to make dormitory living more desirable, and that nondormitory facilities are being effectively utilized.

The Board required OU to have an analysis made of its dormitories and dining halls by an outside consultant, to respond to the consultant's findings, and to make spending cuts, procedural changes, and further studies. After many months of negotiations, the Board recommended to the Controlling Board with some reluctance and many reservations that it release the funds.[10] Chancellor Norton has commented as follows:

> Two lessons should be noted directly as a result of that experience. First, the legislature was quick to give specific authority to a state agency to exercise extraordinary supervision over a university. Neither the university nor the Board of Regents was persuasive in arguing to maintain the near autonomous responsibility of the board of trustees. It is not difficult to imagine how quickly university autonomy generally would erode if problems requiring such special support appeared across the system at the same time.
>
> Second, the Board should remember and call to the attention of the Governor and General Assembly that if such powers of oversight are to be created, they should realistically cover the full problem rather than an artificially limited part of it. The terms of the appropriation required the Board to watch over the revenue producing auxiliaries only -- a totally unrealistic obligation when the university had the legal authority to move funds between auxiliary accounts and instructional accounts at its discretion. The Board of Regents has fought to preserve this freedom for the universities and should continue to do so. It cannot, however, report well on a special mandate that removes from review decisions basic to full disclosure.[11]

The case of Ohio University is an "extraordinarily knotty problem," as one legislator put it, of the type that tempts some members of the legislature to become unduly prescriptive; but only one of those who talked with me found it conceivable to impose state controls under even such circumstances, and he also strongly hoped they would not become necessary.

NOTES

II. POSTSECONDARY EDUCATION IN OHIO

1. For sources and additional comparisons, see Table 1. The usual caveat on interstate higher education comparisons, especially of data from different sources, must be set. Some of the problems are listed in "A Cautionary Note on the Statistical Information Reported for Each State" in Education Commission of the States, 1978, pp. vi-vii, 254-259, 261.

2. See especially AASCU, 1971; Carnegie Commission, 1971, pp. 104-109; ESC, 1973, pp. 68-94; Halstead, 1974, pp. 24, 222-230.

3. According to one account, the first was the Muskingum Academy, established in 1797, which later became Marietta College (Warren King, 1969).

4. Mt. Vernon Nazarene, 1966, 935 students; Walsh College, 1960, 611 students (AICUO, 1978, p. 14, and founding dates provided by Dr. Frank E. Duddy, Jr., president of AICUO).

5. Ohio Board of Regents, 1966a, pp. 70-72; State Board of Education [1968] , p. 8.

6. State Board of Education, [1977] , p. iii.

7. State Board of Education, 1978, pp. 332a, 275.

8. Ohio Board of Regents, 1977e, pp. 13-18.

9. State Board of School and College Registration, 1978, pp. 4,7,8.

10. The reference is to the Ohio Revised Code, Section 3332. The abbreviations will be used throughout this paper.

11. These polls were reported in: "Voter Attitudes Toward the Funding of Higher Education in Ohio," June 1973; Dawson, 1974; communication from Rep. Ball; Cletis Pride, "Opinions of Ohio Leaders About Ohio State University," Columbus, 1976; and John H. Holmes, "Alumni Tell the University What They Think," undated.

III. STATE COORDINATION

1. The law establishing community colleges, technical institutes, and university branch districts had been passed in 1961, creating "a pattern of two-year institutions . . .which was to prove troublesome to the Board of Regents after 1963" (Millett, 1974, pp. 40-42).

2. The 1957 commission set up by Governor C. William O'Neill (R), the Ohio Commission on Education Beyond the High School (the Baker Commission), based its recommendations in December 1958 partly on a late 1956 report by John Dale Russell, commissioned with Ford Foundation support by the Ohio College Association. The 1959 Commission, established by the General Assembly and Governor Michael DiSalle (D), the Interim Commission on Education Beyond the High School, received a small budget, which was not renewed in 1961-63. When Governor James A. Rhodes (R) was elected, the commission members resigned to allow him to make his own choices (Millett, 1974, pp. 37-46.

3. Furman, 1963.

4. The rates were: Ohio State, $793; Central, $693; Bowling Green, Kent, Miami, and Ohio, $507.

5. Ohio's budget bills have traditionally called the tuition paid by state residents an "instructional fee" and the surcharge to non-residents "tuition." The language since 1969-71 has included the following sentence (for example, on p. 249 of S.B. 221 of the 112th General Assembly): "Fee charges to students for instruction shall not be considered to be a price of service but shall be considered to be an integral part of the state government financing program in support of higher educational opportunity for students." In the following pages I nevertheless use "tuition" to mean the instructional fees paid by state residents, to avoid confusion in making comparisons with other states.

6. Berdahl, 1971, p. 197.

7. It may well be that, as rumored, only the influence of Marvin Warner, a member of the Democratic National Committee who had been appointed a Regent by Gilligan, kept the Board of Regents alive. After Rhodes' election, Warner was one of the important supporters of the Governor's efforts to pass referenda providing tax and cash incentives for expansion to business and industry. Warner was elected chairman of the Board of Regents, with the support of Rhodes and against some opposition. He resigned as chairman when President Carter named him U.S. Ambassador to Switzerland, and as a member of the Board some months later.

IV. GOVERNANCE

1. Letter from John D. Millett, Director and Chancellor, Ohio Board of Regents, to Howard L. Collier, Deputy Director, Department of Finance, State of Ohio, March 19, 1965. All state institutions of higher education are defined as "bodies corporate and politic" in the Ohio Revised Code -- in effect, public corporations.

2. Carnegie Council, 1975, Tables, 1, 6, 7, 11, and 14.

2.

V. STATE MANDATES

1. Warren King, 1969, Summary.

2. Charles W. Ingler, 1970, Part II, p.5.

3. Chambers cited this as a conspicuous example of a change in the wrong direction, since it represents an attempt by the legislature "to dictate the detailed internal administration of state universities and colleges" (Chambers, 1974, p. 22).

4. Published by the Ohio Board of Regents in 1974, and subsequently reprinted by the Academy for Educational Development.

5. Ohio Board of Regents, 1978a, pp. 37-38.

6. Governor's Council for Cost Control, 1977.

7. Governor's Council for Cost Control, 1978.

8. Governor's Council for Cost Control, 1978, pp. 10-17.

9. The authors of the report believe that the new state system would enable universities to shift no longer needed staff, tenured and untenured, to the community colleges, and that "in addition the transfer of faculty members from the universities to the community colleges could improve the overall quality of instruction at these schools" (Governor's Council for Cost Control, 1978, p. 13).

10. House Joint Resolution 426, 112th General Assembly, adopted November 29, 1977.

11. Ohio Board of Regents, "Regents Endorse Streamlining Construction Procedures," press release dated January 21, 1977.

12. H.B. 618 of the 112th General Assembly.

13. Ohio Legislative Budget Office, 1977, p. 10.

VI. STATE FUNDS

1. Chambers, 1975, p. 6.

2. For details, see Office of Budget and Management, 1975, pp. 12.01-12.19.

3. Ohio Board of Regents, 1978d, p. 1.

VII. STUDENT AID AND TUITION

1. Ohio Student Loan Commission, 1978, p. 99.

2. Ohio Student Loan Commission, 1978, p. 15.

3. Ohio Board of Regents, 1966a, p. 21.

4. It is interesting to read Chancellor Millett's comment on this estimate: "This would grow somewhat over a ten-year period of time but would not rise appreciably as more families increased their income in pace with the general economic growth of the state" (p. 23).

5. ORC 3333.12 as amended in S.B. 221 of the 112th General Assembly, pp. 114-116.

6. Ohio Board of Regents, 1977f. Students in 20 states are reported to be eligible for certain state scholarships for enrollment in proprietary schools (p. 22).

7. Ohio Board of Regents, 1974b, p. 30.

8. Information provided by Thomas L. Rudd, Assistant Director, Student Assistance Office, Ohio Board of Regents.

9. Seward, 1974, pp. 4-5.

10. Ohio Board of Regents, 1966a, p. 22.

11. Ohio Board of Regents, 1971c, p.6.

12. Ohio Board of Regents, 1977a, p. 17.

13. Excluding foregone income.

14. Information provided by Charles W. Seward, III, Director, Student Assistance Office, Ohio Board of Regents.

15. Dawson, 1974.

16. Presumably intended to apply to medical and dental students at Case Western Reserve University, the only private institution to receive state subsidies.

17. H.B. 930 of the 109th General Assembly, Regular Session, 1971-72.

18. See, for example, Chambers, 1974, p. 199.

19. Some details are given in MacDonald, 1977, pp. 25-26.

20. Statement of President Claude R. Sowle of Ohio University on the Millett Plan for the Financing of Higher Education in the State of Ohio, August 10, 1972.

21. John Millett discusses the Gilligan Plan and the Millett Plan in his Politics and Higher Education on pp. 96-98.

22. Ohio Board of Regents, "The Ohio Instructional Grant Program: Rules Applicable to the 1979-80 Academic Year, 3333-1-09," adopted July 21, 1978, pp. 8-9.

VIII. THE PRIVATE SECTOR AND THE STATE

1. H.B. 86 of the 110th General Assembly, Regular Session, 1973-75.

2. Dawson, 1974, pp. 24, 26.

3. The breakdowns between state support and tuition income in various Ohio publications differ somewhat because of different bases used. For example, the Office of Budget and Management shows that state appropriations for instruction in that year represented 68%, fees 32%, assuming the institutions charged the maximum tuition in the models of the Ohio Board of Regents, which all did not (Office of Budget and Management, 1975, p. 5.08).

4. Association of Independent Colleges and Universities of Ohio, 1978, p. 20.

5. For calendar year 1977, the average guaranteed loan to students in the Ohio public sector was $1,767, in the private non-profit sector, $1,947. Calculated from Ohio Student Loan Commission, 1978, pp. 7-12.

6. Currently only seven states allow recipients to go out of state: Connecticut, Delaware, Massachusetts, New Jersey, Pennsylvania, Rhode Island, Vermont (National Association of State Scholarship and Grant Programs, 1978, p. 14).

7. David G. Brown and Thomas E. Wenzlau, "A View from the Campus," in Breneman and Finn, 1978, pp. 391-410 at p. 402.

8. Private colleges: Dyke (Cleveland), 84.0%; Chatfield (St. Martin), 68.8%; Wilmington, 67.7%; Urbana, 62.0%. Thr four highest public: Cuyahoga Community College Metro Campus (Cleveland), 53.0%; Central State University (Dayton area), 41.6%; Cuyahoga Community College Eastern Campus, 40.9%; Cincinnati Technical Institute, 40.9% (Ohio Board of Regents, 1978b, pp. 33-35).

9. Ohio Board of Regents, 1975a, Exhibits A and B.

10. Information received from Frank E. Duddy, Jr., President, Association of Independent Colleges and Universities of Ohio.

11. Glenny, 1973, p. 25.

12. Association of Independent Colleges and Universities of Ohio, 1978, pp. 24, 29.

13. Ohio Board of Regents, 1975d, p. 17.

14. Association of Independent Colleges and Universities of Ohio, 1978, p. 27.

15. A different source shows a considerably greater difference for 1973-74, with Ohio public universities over $1,000 below the national average in expenditures per student and Ohio private universities over $2,000 above it, and a difference of nearly $6,000 per student between Ohio's public and private universities (McCoy, 1976, pp. 95, 107). However, the Ohio universities that supplied the HEGIS financial data on which the analysis was based were one private and eight public (Cherin and McCoy, 1976, p. 265). The comparisons therefore are between Case Western Reserve, a Research University I according to the Carnegie classification, and a group of state universities of which one is a Research University I, one a Research University II, and the remaining six in lower categories. (Carnegie Commission, 1973). See the Appendix for the Carnegie classification of all Ohio colleges and universities.

16. Ohio Board of Regents, 1975d, p. 14.

17. David G. Brown and Thomas E. Wenzlau, "A View from the Campus," in Breneman and Finn, 1978, pp. 391-410 at pp. 403-404.

18. Ohio Board of Regents, "Release of Appropriation for Contracts for Services, R.G. 1-11," effective July 5, 1974.

19. Maryjane Miskel, "Contracts and New Markets in Higher Education," Research Currents (ERIC-Higher Education), n.d., p. 3, emphasis in the original.

20. Ohio Board of Regents, 1966a, pp. 19, 21-24.

21. Ohio Board of Regents, 1971c, p. 14.

22. Ohio Board of Regents, 1971c, pp. 14, 78.

23. In the most recent complaint, a large proprietary school objected that a nearby state university branch had established a technical program duplicating its own. The branch campus initiated this and other technical programs after the Regents had attempted to separate it from the university and convert it into a state community college because it did not offer technical courses in that portion of the state.

IX. THE PUBLIC SECTOR AND THE STATE

1. Joseph B. Tucker, "The Politics of Public Higher Education," AAUP Journal 59:3 (September, 1973), 310-323; as quoted in Smoot, 1976, p. 83.

2. In its very first capital improvements budget, the Board of Regents recommended appropriations totaling $64 million, but the 106th General Assembly appropriated $107 million (Ohio Board of Regents, 1964), presumably not against the expressed wished of the beneficiaries.

3. Letter from Howard L. Collier to John D. Millett, March 9, 1965.

4. Ohio Board of Regents, 1977a, p. 62.

5. Ohio Board of Regents, 1978a, pp. 11-12.

6. These examples are taken from Ohio Board of Regents, 1978a, pp. 24-35.

7. See Ohio Board of Regents, 1978a, pp. 31-32. The Citizens Task Force on Higher Education also emphasized lifelong learning, which was the subject of three of its recommendations (Ohio Board of Regents, 1974b, pp. 6, 13-14).

8. Letter from Linda Bonini, Economic Analyst, Ohio Legislative Budget Committee and Office, June 26, 1978.

9. Millett, 1974, p. 46.

10. Ohio Board of Regents, 1972.

11. Ohio Board of Regents, 1978a, pp. 8-9.

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APPENDIX

CARNEGIE COMMISSION CLASSIFICATION OF THE INSTITUTIONS OF HIGHER EDUCATION IN OHIO, 1973

Public	Private
RESEARCH UNIVERSITIES I*	
Ohio State University	Case Western Reserve University
RESEARCH UNIVERSITIES II*	
University of Cincinnati	
DOCTORAL-GRANTING UNIVERSITIES I*	
Kent State University	
Ohio University	
DOCTORAL-GRANTING UNIVERSITIES II*	
Bowling Green State University	
Miami University	
University of Akron	
University of Toledo	
COMPREHENSIVE UNIVERSITIES AND COLLEGES I*	
Central State University	Ashland College
Cleveland State University	Baldwin-Wallace College
Youngstown State University	Capital University
Wright State University	John Carroll University
	Ohio Northern University
	University of Dayton
	Xavier University
COMPREHENSIVE UNIVERSITIES AND COLLEGES II	
	Wittenberg University
LIBERAL ARTS COLLEGES I	
	Antioch College
	College of Mt. St. Joseph
	College of Wooster
	Denison University
	Hiram College
	Kenyon College
	Mary Manse College
	Oberlin College
	Ohio Wesleyan College

* The classifications are for the main campuses.

Appendix (continued)

Public	Private
LIBERAL ARTS COLLEGES II	
	Athenaeum of Ohio
	Bluffton College
	Borromeo Seminary of Ohio
	Cedarville College
	College of Steubenville
	Defiance College
	Edgecliff College
	Findlay College
	Heidelberg College
	Lake Erie College
	Malone College
	Marietta College
	Mount Union College
	Muskingum College
	Notre Dame College
	Ohio Dominican College
	Otterbein College
	Rio Grande College
	Saint John College of Cleveland
	Tiffin University
	Urbana College
	Ursuline College
	Walsh College
	Western College for Women
	Wilberforce University
	Wilmington College
TWO-YEAR COLLEGES AND INSTITUTES	
Individual university branches and academic centers	Davis Junior College
	Kettering College of Medical Arts
	Lourdes Junior College
Clark County Technical Institute	Miami-Jacobs Junior College of Business
Columbus Technical Institute	Mt. Vernon Nazarene College
Cuyahoga County Community College	
Lakeland Community College	
Lorain County Community College	
Muskingum Area Technical College	
Penta County Technical Institute	
Sinclair Community College	
Tri-County Technical Institute	

Appendix (continued)

Public	Private
THEOLOGICAL SEMINARIES AND BIBLE COLLEGES	
	Cincinnati Bible Seminary
	Evangelical Lutheran Theological Seminary
	Methodist Theological School
	Pontifical College Josephinum
	Rabbinical College of Telshe
	St. Mary Seminary
	United Theological Seminary
MEDICAL SCHOOLS AND MEDICAL CENTERS	
Medical College of Ohio at Toledo	
OTHER SEPARATE HEALTH PROFESSIONAL SCHOOLS	
	Ohio College of Pediatric Medicine
SCHOOLS OF ENGINEERING AND TECHNOLOGY	
	Ohio Technical College
SCHOOLS OF BUSINESS AND MANAGEMENT	
	Bliss College
	Dyke College
	Franklin University
SCHOOLS OF ART, MUSIC, AND DESIGN	
	Art Academy of Cincinnati
	Cleveland Institute of Art
	Cleveland Institute of Music
	Columbus College of Art and Design
	School of the Dayton Art Institute
SCHOOLS OF LAW	
	Salmon P. Chase College of Law
SERVICE SCHOOLS	
Air Force Institute of Technology	

Source: Carnegie Commission on Higher Education, A Classification of Institutions of Higher Education (Berkeley, California, 1973).